



**Global Transaction Services**

Master Agreement

Effective January 2019

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# GLOBAL TRANSACTION SERVICES MASTER AGREEMENT

## I. INTRODUCTION

This Master Agreement (“Agreement”) applies to your Global Transaction Services (“Services” or “Service”) with us; together with your Authorization and Agreement for Global Transaction Services, the Deposit Agreement for your business account(s) (“Deposit Agreement”), any current Schedule of Fees and Charges (“Schedule”), any Set-Up Forms, User Materials, any confirmations, related documents, and disclosures, that pertain to the provision of one or more Services by us are collectively referred to as “Terms and Conditions.”

In this Agreement, “EWB,” “Bank” “we,” “us” and “our” refer to East West Bank, its predecessors and affiliates. The words “you,” “your” and “Company” refer to the person or entity identified on our records as the accountholder of the account, and as applicable, the Authorized Signer, or Online Banking Administrator of Company. Any other defined terms in this Agreement will be capitalized. The words “Global Transaction Services” and “Treasury Management Services” are used by us interchangeably.

This Agreement contains general provisions that are applicable to all Services provided by the Bank. It also contains provisions specific to the Services provided to you. The general provisions are subject to more specific provisions contained in the Terms and Conditions or in the documents for that specific service. If you would like an additional Service, it will be covered by these terms and conditions once we have approved your use of the Service. You consent to an amendment or modification to the Agreement if you continue to use your account after an amendment or modification becomes effective. The terms and conditions for the Bank’s primary Services are set forth in Section II, and additional terms and conditions for specific Services are set forth in Section IV incorporated in this Agreement.

Depending on the Service, we may also ask you to sign required form(s). In some cases, we will need to obtain additional information to establish your eligibility for new and continued use of the specific Services. If you (or anyone you authorize) enroll or use any of the Services, or access your account(s) using a Service, you agree to these Terms and Conditions. You and your authorized users may begin using the Service when we have received and approved all required and properly executed forms, and you have successfully completed any testing or training requirements.

## II. TERMS AND CONDITIONS FOR SPECIFIC SERVICES

### A. ACCOUNT ANALYSIS SERVICES

#### 1. Description of the Service

This Service allows you to offset all or a part of your monthly banking charges based on the balances maintained in your Analyzed Business Checking Account. If a Money Market Account or any interest-bearing accounts included in your account analysis, the service charge is deducted from interest paid on the account. If you use any Service, we reserve the right to require that you have an Analyzed Business Checking Account.

#### 2. Earnings Credit

Each month, the Service calculates the monthly average collected account balance net of deposit float and reserves (“investable balance”). Investable balances are then multiplied by the Bank’s Earnings Credit Rate (“Rate”) to determine your Earnings Credit, which is the credit that can offset all or part of your monthly fees and charges.

The Rate is determined by the Bank, and is set each month based on market conditions, account balances, account services and market segment. You agree that this Rate is subject to change without prior notice to you. The Bank’s current Rate may be obtained by contacting us. Your Earnings Credit applies only to the current statement period. It does not accrue beyond the statement period, and any excess Earnings Credit is not credited to your account.

#### 3. Thirty-Day Reporting Period

In addition to your duties disclosed in section III E, Duty to Review Statements and Items, you further agree that within thirty (30) days after we mail or otherwise make your Analyzed Business Checking Account statement available, you will report to us any claim for credit or refund due based on the Account Analysis service.

### B. ONLINE BANKING SERVICES

#### 1. Description of Service

This Service allows you to perform a number of banking functions through the use of a personal computer or, for some functions, a mobile device (e.g., Smartphone or tablet), on accounts linked to the service. You may



perform many of your transactions including accessing account statements, initiating stop payments, submitting wires and ACH payment orders, viewing check images, and uploading financial data to us. If you access Online Banking through the Bank's downloadable Mobile Application ("Mobile App"), you will have access to selected features of Online Banking. List of features available through the Bank's Mobile App is available on the Bank's Website, [www.eastwestbank.com](http://www.eastwestbank.com).

## **2. Acceptance of Services and Products**

An Authorized Signer (as identified on the account Signature Card) has the highest level of authorization and is authorized to enter into agreements or enroll for any Services.

To access our Online Banking Services, you must be enrolled in Online Banking. Depending on the Service, we may also ask you to sign required form(s). In some cases, we will need to obtain additional information to establish your eligibility for new and continued use of the specific Services. You may at any time, and from time to time, obtain additional Products by providing a written authorization to the Bank. All persons entering Online Banking on your behalf and using the Services agree to accept any terms outlined in this Service Agreement.

## **3. Online Banking Administrators and Other Users**

An Online Banking Administrator has the authority to manage subscribed Services, including designating individuals who may use these Services and identifying the account(s) assigned to each Service. The Authorized Signer may delegate full authority to at least one (1) or maximum of two (2) Online Banking Administrators. The Online Banking Administrator may add and delete Online Users; perform password administration; grant new Online Users access to existing Services; and create, modify, and delete user entitlements for existing Services.

A Company subscribed to ACH and/or Wire Transfer Services may instruct their designated Online Banking Administrator to submit a written request (including requests submitted electronically) to the account representative at the Bank to add, delete or change the authorized users of these modules. Any such request received from the Online Banking Administrator, as designated on the records of the Bank, will be deemed as authorized by the Company.

Online Users can use the Services to which the Online Administrator has granted them access. Online Users may not grant or delete their own or another person's access to any Service or account.

View Only Web Users may view information but not perform transactions. This status is not available for all Services.

## **4. Company Accounts**

By signing up for this service, you request that each of your accounts with the Bank identified in the Business Online Banking Application ("Application") be made available for access through the Business Online Banking Product. You may request us to include accounts of affiliated companies for access through the Product (e.g., companies in which you or your parent have direct or indirect majority ownership). YOU REPRESENT AND WARRANT TO THE BANK THAT YOU HAVE THE AUTHORITY TO GIVE SUCH INSTRUCTIONS TO THE BANK AND TO HAVE SUCH ACCOUNTS INCLUDED IN THIS AGREEMENT. You shall provide to us written authorization from such affiliated companies permitting their accounts to be included in this Agreement and authorizing you access to such accounts. Such authorization shall be in form and substance acceptable to us.

## **5. Foreign Currency Deposit Account Services.**

If Company has identified Foreign Currency Deposit Accounts ("Foreign Currency Accounts") in the Business Online Banking Application, online services may be provided for these accounts, subject to the following:

- a. Services include transaction, rate and information reporting, Company initiation of orders for purchase and sale of an agreed amount of US Dollars against the currency of another foreign country ("Currency"), and initiation of transfers between accounts (collectively, "Services;" singularly "Service"). Currency and transfer Services for Foreign Service Accounts are subject to verification and processing in accordance with the terms of Company's Master Foreign Exchange Agreement, Foreign Exchange Signature Authorization and Consent, Risk Disclosure Statement, any amendment thereto ("FX Agreement"), and any applicable laws and regulations as it applies to the Services;
- b. The Services for Foreign Currency Accounts shall be as determined by Bank from time to time at its discretion, and may change from time to time and/or be terminated by Bank. Company acknowledges and

agrees that the Bank will not have any obligation to provide any Service, or any replacement thereof, after the Bank has terminated providing a Service. The Bank may provide the Services as part of a Pilot Program;

- c. Company will be bound by any instructions and orders placed using the Services. The Bank will have no duty to verify whether any such Order, whether sent by an Authorized User or otherwise, has been authorized by Company. Company will be deemed to have given an Order to the Bank when Bank receives an Order through the Services (whether or not Company receives, or actually becomes aware of, any acknowledgment of such Order). The Bank may act on such Orders and any resulting trades or transactions, and other related rights and obligations, will be binding on Company;
- d. Company agrees that it will use the Services only for its internal business purposes. Company agrees not to use the Services for personal purposes. Company will not sell, lease, license, transfer, provide or otherwise make available the Services or any portion thereof to any third party. All Services used by Company are subject to all applicable Service terms contained in Company's FX Agreement and any other agreements which govern Company's Foreign Currency accounts.
- e. Company acknowledges that its access to and use of any Service may be restricted at the Bank's discretion, and/or limited as a result of applicable laws and regulations, and Company shall be responsible to know all such applicable laws and regulations as it applies to Company's use of the Services.

## 6. Data Input and Output

You acknowledge that the Products selected by you may require that data be input into the System by parties other than the Bank. In some cases, the Bank may provide such parties with information instructing them how to input data into System; however, **in no event shall the Bank be liable for accuracy, completeness, authenticity, timeliness or format of data input by parties other than the Bank.** You may access the System at any time, and be able to confirm the most recent date of data input from each Account. Data input by us will be periodically updated during our business hours, **but we shall not be liable for the accuracy, completeness, authenticity or timeliness of any data furnished to it by any other party.**

## 7. Security Procedures

You should adopt a multi-layered approach towards managing risk, such as implementing multiple layers of security and approvals, refinement of operational procedures and system controls, installing any security software required by bank, and other security software to achieve as comprehensive security protection as possible.

You shall agree to one or more security procedures that must be used by you in connection with the Service. If you refuse one or more security procedures offered by us, you accept full risk and responsibility for any and all unauthorized transactions, and indemnify us for any and all losses, liabilities and claims directly or indirectly arising out of online fraud losses (which may include losses from computer hacking, fraudulent online attacks and fraudulently created or modified wire and ACH Transactions). See also, Section III.N, below.

You must use a commercially reasonable level of security which must comply with current, applicable regulatory guidelines, as well as all current and new tools that become available to help safeguard and strengthen your business against financial fraud. In addition to routinely install and keep up to date all operating system and browser software and hardware patches. Educate employees on good cyber security practices. We are not responsible for any electronic virus or viruses that you may encounter. We recommend that you routinely scan your PC using a virus protection product and take all steps to protect the integrity of your system.

You are solely responsible for maintaining your own internal security and agree to limit access to those persons who have a business requirement for the Company to access the Service, and further, shall use the utmost prudence in granting any individual given access to the Service. You shall not disclose any information regarding the Service that an unauthorized user would find helpful to obtain access to all or part of the Service.

You represent, warrant and agree that all confidential information concerning the other party or parties that comes into its possession in connection with the Service, including without limitation, security procedures or any security codes, keys, personal identification numbers, or template numbers ("Codes"), will be maintained in strictest confidence and shall not be used or divulged to any other party unless that party is verified by the Company and except as may be necessary for the due performance of the Service or as required by applicable law. You assume full responsibility for the consequences of any misuse or unauthorized use of or access to the System or disclosure of any confidential information or instructions of the Company by the Company's employees, agents or other third parties.

You must periodically review and update online access of your Online Users. Remove access to Services when an Online User leaves your employment or otherwise has access revoked or modified. We will have no responsibility or liability to you for losses or damages arising out of unauthorized transactions performed by your designated Online Users, or any security breach.

## **8. Cutoff Hours**

All Business Online Banking Transactions, with the exception of ACH and Wire Transfers, must be completed prior to 7:00 PM Pacific Time. Transactions requested on Saturdays, Sundays, or Federal Reserve holidays (“Business Day”) on which the Bank chooses to remain closed, will be processed on the Bank’s next Business Day.

## **9. The Bank's Obligation**

We agree to transmit all the financial data under our control required to utilize the Products selected by you and to act on appropriate instructions received from you in connection with the Products. You understand and agree that the provision of support for the Products shall be by us or its designated agent.

It is further understood that the availability of the Services is at all times conditioned upon the corresponding operation and availability of systems used in communicating your instructions and requests to us and our response. We shall not be liable or have any responsibility of any kind for any loss or damage incurred directly or indirectly, or suffered, by you in the event of any failure or interruption of such services or any part thereof, resulting from the act or omission of any third party, or from any other cause not reasonably within the control of the Bank.

We are not responsible for any electronic virus or viruses that you may encounter. We recommend that you routinely scan your PC using a virus protection product and take all steps to protect the integrity of your system.

We will exercise due care in seeking both to preserve the confidentiality of the user name, password, or other code or identifier, and to prevent the use of the system by unauthorized persons (and in this connection, it is understood and agreed that implementation by the Bank of its normal procedures for maintaining the confidentiality of information relating to its customers, and where required, the obtaining of third party confidentiality agreements from any third parties engaged in the installation, maintenance and operation of the system or similar undertakings, shall constitute fulfillment of its obligation so to exercise due care), but shall not otherwise be under any liability or have any responsibility for loss incurred or damage suffered by you as a result, directly or indirectly, of any unauthorized person gaining access to or otherwise making use of the System. Notwithstanding the foregoing, if the Services are set up so that you can yourself, without requesting Bank representatives, add and delete authorized users for the Products, change passwords, add or delete accounts (including without limitation accounts at other companies) that are tied into the Services or otherwise give instructions or make changes to authorizations and set up information for the accounts and Services, we shall not be responsible to monitor or check on whether such changes (or transactions undertaken pursuant to such changed account information) are in fact authorized by you.

## **10. Services Part of Online Banking Service**

### **a. Account Transfers**

This Service allows you to initiate transfers of funds between designated accounts that you maintain with us. You are responsible for ensuring there are sufficient available funds in accordance with the Funds Availability Section of the Deposit Agreement (“Available Funds”) in the account being debited on the date of the transfer. If there are insufficient available funds, the transfer may or may not be completed by us, and will be subject to overdraft fees, or overdraft protection transfer, or advance fees, as applicable. You are responsible for any financial liability resulting from account transfers. Transfers may be restricted by account type. Transaction limitations apply to savings and money market accounts. (See Deposit Agreement.)

### **b. Banking Alerts**

This Service allows you to receive electronic notices (“Alerts”) from time to time with information and notifications about your designated accounts with us. For example, Alerts may include information about the receipt of wire transfers or other credits to an account, or about withdrawals that exceed a certain dollar amount that you specify when you enroll for the Service.

Alerts are provided solely as a convenience and not as a substitute for the periodic statements for your account(s) or any other notices we may send you, regardless of how you receive such periodic statements or other notices, and your obligations to properly review the periodic statements and notices, and to notify

us (Section III E) remain in full force and effect. Such periodic statements and other notices remain the official records of your account(s).

In order to receive Alerts, you must provide us a valid phone number or an email address for the Alerts. Additionally, you agree to indemnify, defend, and hold us harmless from and against any and all claims, losses, liability, costs, and expenses (including reasonable attorneys' fees) arising in any manner from you providing us a phone number or an email address that is not your own or that you provide in violation of applicable federal, state, or local law, regulation, or ordinance.

We may provide Alerts through one or more of the following: a) a telephone b) a text or Web-enabled mobile device; or c) an email account that is accessed via a personal computer. It is your responsibility to determine that each of your service providers for the communication media described in (a) through (c) above supports the voice and/or text message Alerts you select. You agree that the Alerts are subject to the terms and conditions of your agreement(s) with your service provider(s) and that you are solely responsible for any fees imposed for an Alert by your service provider(s).

You agree and understand that a) Alerts may not be encrypted and may include personal or confidential information about you and your transactions, such as your name and account activity or status; b) your Alerts may be delayed, misdirected, not delivered, or corrupted due to circumstances or conditions affecting your service provider(s) or other parties; and c) we will not be liable for losses or damages arising from i) any non-delivery, delayed delivery, misdirected delivery, or corruption of an Alert; ii) inaccurate, untimely, or incomplete content in an Alert; iii) your reliance on or use of the information provided in an Alert for any purpose; or iv) any circumstances beyond our control.

**c. Bill Payments**

If you elect to use the Bill Payment Service of Online Banking, you agree to abide by the Online Bill Payment Services section, and the third party vendor's "Terms and Conditions of the Bill Payment Service" which may be viewed through the Bill Pay system.

**d. Electronic Statements (eStatement)**

This Service makes your statement available electronically and accessible through the Bank's Online Banking Service. Each statement lists your deposit and withdrawal activity posted to your account during the statement period. You can review up to seven (7) years of statements, or other archive period as established by us from time to time, and download them to PDF.

These Services may be offered through a third party vendor ("Provider"). If you elect to use eStatement service of Online Banking, you agree to abide by the third party vendor's "eStatement Disclosure" which may be viewed through the eStatement Service.

**e. Stop Payments**

With this Service, you can order stop payments on any checks which have not yet been paid by us. You must be able to provide the correct check number and exact amount of the check. Any loss suffered by you due to your failure to accurately identify the check in the stop payment request will be your responsibility. No stop payment order will be effective against a check that has paid prior to the time that we both received the order and had a reasonable period of time to respond to the order.

Prior to submitting a stop payment order to us, you agree to access the appropriate account and database information through the Business Online Banking System, other means available to you, or contact us to determine whether the check to which the stop payment order has or has not already been paid. You understand account information and transactions are only available for the retention period available through Business Online Banking. You are responsible for reviewing past statements for checks issued before the prior statement cycle. If you request a stop payment on a check that has been previously paid, the stop payment order is void. We are not responsible for any liability you may incur as a result of placing a stop payment order on a check that has been paid.

You acknowledge that a transaction search through the Business Online Banking System will not necessarily reveal whether a check has been paid until the Banking Day after the Banking Day on which the stop payment order is received by us, and you further acknowledge that a check might not be shown as paid if paid after the stop payment order and before we have a reasonable period of time to respond to the order. Any loss suffered by you due to your decision to issue a new or replacement check, or to take any other action, based on information in the Business Online Banking System prior to the next Banking Day after the Banking Day on which the stop payment order has been received by us will be your responsibility and not of the ours.

Stop payment orders remain in effect for six (6) months. If you want to extend the Stop payment order, you must place another order. Stop payment orders are automatically canceled when the account on which the check is drawn is closed or at the end of the six month term of the order (unless renewed). If a stop payment order expires or is cancelled by you, we may pay the check if it is presented for payment, even though it may be stale-dated by that time.

We may process stop payment orders that cover a range of checks that are missing or stolen without specifying the dollar amount. In this case, we may require you to close your account and open a new one.

You should be aware that anyone holding your check, including us, may be entitled to enforce payment against you despite the stop payment order. You also agree to indemnify, defend, and hold us harmless from all costs (including attorneys' fees), actions, damages, claims, and demands related to, or arising from, our action in stopping payment on your check.

**f. Funds Transfers**

If you elect to use the Funds Transfers modules of Online Banking (including Wire Transfers (Section II D, below), ACH (Section II E, below), and Positive Pay Service (Section II F, below), you will be bound by the sections applicable to the services below.

**g. Access to EWB Hong Kong and China Accounts through Online Banking Services**

Company, and its Affiliated Companies if applicable, desire Company to have the information with respect to its/their respective accounts maintained with Bank affiliates including EWB Hong Kong and EWB China (collectively "Bank Affiliates"). Company agrees to abide by the terms set forth below when Bank approves this request as following:

- i. The Company authorizes Bank to act upon the instructions of Company and its authorized representatives as designated in the Bank's records, to access the accounts of the Company and Affiliated Companies maintained at Bank Affiliates through the Service to access information reporting of the accounts.
- ii. Company is fully responsible for taking all actions necessary to comply with Security Procedures and to protect its/their confidential information accessed by Company through the Service.
- iii. Company acknowledges that the account information and services available through the Service may be delayed one or more days and subject to the processing and completion hours of Bank Affiliates.
- iv. Company agrees to indemnify, defend and hold the Bank and the Bank Affiliates, its directors, officers, employees and agents harmless from every demand, claim, action, liability, loss and/or cost arising from: (a) the actions or omissions of the Bank and the Bank Affiliates in accordance with this authorization; or (b) the actions and omissions of the Company in using the Service and the information accessed through the Service.
- v. This authorization will remain in effect until Company provides Bank with five (5) days prior written notice of its termination at the address specified for such notice by the Bank. Bank may suspend or terminate the Service or this arrangement at any time without cause or prior notice to Company.
- vi. The terms of this authorization supersede any inconsistent terms in the Service agreements of Company.

**h. Password and Security**

You agree not to give or make available your password or other means to access your account to any unauthorized individuals. You are responsible for reviewing your and your users' online activity of the Services. If you permit other persons to use the Service or your password or other means to access your account, you are responsible for any transactions they authorize. If you believe that your password or other means to access your account has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify our Customer Service.

**i. Rules and Procedures**

Online Banking will be subject to such rules and procedures as the Bank may establish and disseminate from time to time governing the products, services and the system, including but not limited to rules and procedures regarding security. This Agreement shall also be subject to such rules and procedures as the Bank may establish for Online Banking and accessing of accounts through the Internet.

## **C. ONLINE BUSINESS BILL PAYMENT SERVICES**

### **1. Description of Service**

To access our Business Bill Payment Services, you must be enrolled in Online Banking and Business Bill Payment Services. This service allows you to submit a payment (“Payment Instruction”) online to a designate person or entity (“Biller”) or rendering electronic bills (“eBills”). These Services may be offered through a third party vendor (“Provider”). Your bill payment will debit the checking account you designate (“Payment Account”). This Agreement does not alter your liability or obligations that currently exist between you and your Billers.

### **2. Acceptance of Services and Products**

You represent and warrant that you are acting with full authority for the applying entity, and that you are duly authorized to execute this Agreement on behalf of the applying company. Your enrollment in the Service may not be fulfilled if the Service cannot verify your identity or other necessary information. Through your enrollment in the Service, you agree that the Service reserves the right to request a review of your credit rating at its own expense through an authorized bureau. In addition, you agree that the Service reserves the right to obtain financial information regarding your account from a Biller or your financial institution (for example, to resolve payment posting problems or for verification).

By providing the Service with names and account information of Billers to whom you wish to direct payments, you authorize the Service to follow the Payment Instructions received through the payment system. In order to process payments more efficiently and effectively, the Service may edit or alter payment data or data formats in accordance with Biller directives. Due to circumstances beyond the control of the Service, particularly delays in handling and posting payments by Billers or financial institutions, some transactions may take longer to be credited to your billing account.

### **3. Business Bill Payment Administrator (Level I) and Other Users**

A “Level I” user, also referred to as “Business Bill Payment Administrator” (Bill Pay Administrator) is the equivalent an Online Banking Administrator. Only one (1) Bill Pay Administrator is allowed, and will have the authority to manage the use of this subscribed Service, including designating individuals who may use this Service and identifying the account(s) assigned to each user.

### **4. Payment Authorization and Payment Remittance**

Review full details of the payment transaction before submitting. You are responsible for all payments you authorize using the Service.

The Service will use its best efforts to make all your payments properly. When the Service receives a Payment Instruction, you authorize the Service to debit your Payment Account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the Scheduled Payment Date designated by you. You also authorize the Service to credit your Payment Account for payments returned to the Service by the United States Postal Service or Biller, or payments remitted to you on behalf of another authorized user of the Service.

However, the Service will incur no liability and any Service Guarantee will be void if the Service is unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

- (a) If your Payment Account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
- (b) You have not provided the Service with the correct Payment Account information, or the correct name, address, phone number, or account information for the Biller; and/or,
- (c) The payment processing center is not working properly and you know or have been advised by the Service about the malfunction before you execute the transaction;
- (d) Circumstances beyond control of the Service (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances.

### **5. Payment Methods**

The Service reserves the right to select the method in which to remit funds on your behalf to your Biller. These payment methods may include, but may not be limited to, an electronic payment, an electronic to check payment, or a **laser draft payment**.

## 6. Payment Cancellation Requests

You may cancel or edit any Scheduled Payment (including recurring payments) by following the directions within the application. There is no charge for canceling or editing a Scheduled Payment. Once the Service has begun processing a payment it cannot be cancelled or edited, therefore a stop payment request must be submitted.

## 7. Stop Payment Requests

The Service's ability to process a stop payment request will depend on the payment method and whether or not a check has cleared. In addition, the Service may not have a reasonable opportunity to act on any stop payment request after a payment has begun progressing or has been processed. If you desire to stop any payment that has already been processed, you must contact our Customer Service. Although we or the Service will make every effort to accommodate your request, the Service will have no liability for failing to do so. The charge for each stop payment request will be the current charge for such service as set out in the fee schedule.

## 8. Prohibited and Exception Payments

Payments to Billers outside of the United States or its territories are prohibited through the Service.

Tax payments and court ordered payments may be scheduled through the Service, however such payments are discouraged and must be scheduled at your own risk. **In no event will the Service be liable for any claims or damages resulting from you scheduling these types of payments.** The Service Guarantee as it applies to any late payment related changes is void when these types of payments are scheduled and/or processed by the Service. The Service has no obligation to research or resolve any claim resulting from an exception payment. All research and resolution for any misapplied, mis-posted or misdirected payments will be the sole responsibility of you and not of the Service.

## 9. Errors and Questions about Your Transaction

You are responsible for reviewing your payments for accuracy. In case of errors or questions about any of your transactions using our Services, you should notify us as immediately.

If you think your statement is incorrect or you need more information about a Service transaction listed on the statement, we must hear from you promptly after the first statement that was sent to you on which the problem or error appears.

## 10. Failed or Returned Transactions

If your transaction was not completed, in some instances, you will receive a return notice from the Service. In each such case, you agree that:

- (a) Upon demand, you will reimburse the transaction amount to the Service immediately; for any amount not reimbursed to the Service within fifteen (15) days of the initial notification, a late charge, may be imposed on any unpaid amounts;
- (b) You will be assessed a Returned Item fee by the Service if the transaction is due to insufficient funds in your Payment Account to cover the requested payment. You hereby authorize the Service to deduct this amount from your designated Billing Account by ACH debit. In addition, you may be assessed a fee by your financial institution as a result of the return that is separate from and in addition to any fee assessed by the Service;

You will reimburse the Service for any fees or costs it incurs in attempting to collect the amount of the return from you; and,

The Service is authorized to report the facts concerning the return to any credit reporting agency.

## 11. Returned Payments

In using the Service, you understand that Billers and/or the United States Postal Service may return payments to the Service for various reasons such as, but not limited to, Biller's forwarding address is invalid; Biller account number is invalid; Biller is unable to locate the account; or Biller account is paid in full. The Service will use its best efforts to research and correct the returned payment and return it to your Biller, or void the payment and credit your Payment Account. You may receive notification from the Service.

## 12. Electronic Bill and Presentment

This feature is for the presentment of electronic bills only and it is your responsibility to contact your Billers directly if you do not receive your statements. In addition, if you elect to activate one of the Service's electronic bill options, you also agree to the following:

- (a) **Information provided to the Biller** – The Service is unable to update or change your personal information such as, but not limited to, name, address, phone numbers and e-mail addresses, with the electronic Biller. Any changes will need to be made by contacting the Biller directly. You agree not to use someone else's information to gain unauthorized access to another person's bill. The Service may, at the request of the Biller, provide to the Biller your e-mail address, service address, or other data specifically requested by the Biller at the time of activating the electronic bill for that Biller, for purposes of the Biller informing you about Service and/or bill information.
- (b) **Activation and authorization of eBills** – Upon activation of the eBill feature the Service may notify the Biller of your request to receive billing information electronically. The presentment of your first eBill may vary from Biller to Biller and may take up to sixty (60) days, depending on the billing cycle of each Biller. Additionally, the ability to receive a paper copy of your statement(s) is at the sole discretion of the Biller. While your eBill feature is being activated it is your responsibility to keep your accounts current. Each electronic Biller reserves the right to accept or deny your request to receive eBills.  
Your activation of the electronic bill feature for a Biller will be your authorization for us to obtain bill data from the Biller on your behalf. By providing us with the necessary information, you authorize us to use the information to obtain your bill data.
- (c) **Notification** – The Service will use its best efforts to present all of your electronic bills promptly. In addition to notification within the Service, the Service may send an e-mail notification to the e-mail address listed for your account. It is your responsibility to ensure that this information is accurate. In the event you do not receive notification, it is your responsibility to attain your bill information. The time for notification may vary from Biller to Biller. You are responsible for ensuring timely payment of all bills.
- (d) **Non-Delivery of electronic bill(s)** – You agree to hold the Service harmless should the Biller fail to deliver your statement(s). You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Biller directly.
- (e) **Accuracy and dispute of electronic bill** - The Service is not responsible for the accuracy of your electronic bill(s). The Service is only responsible for presenting the information we receive from the Biller. Any discrepancies or disputes regarding the accuracy of your electronic bill summary or detail must be addressed with the Biller directly. This Agreement does not alter your liability or obligations that currently exist between you and your Billers.
- (f) **Cancellation of electronic bill notification** – The electronic Biller reserves the right to cancel the presentment of electronic bills at any time. You may cancel electronic bill presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Biller to Biller. It may take up to sixty (60) days, depending on the billing cycle of each Biller. The Service will notify your electronic Biller(s) as to the change in status of your account and it is your responsibility to make arrangements for an alternative form of bill delivery. The Service will not be responsible for presenting any electronic bills that are already in process at the time of cancellation.

### 13. Password and Security

You agree not to give or make available your password or other means to access your account to any unauthorized individuals. If you believe that your password or other means to access your account has been lost or stolen or that someone may attempt to use the Service without your consent or has transferred money without your permission, you must notify us immediately. If you permit other persons to use the Service or your password or other means to access your account, you are responsible for any transactions they authorize.

You agree that you are responsible for monitoring and reviewing all activity on your account. We recommend that you inspect your statements on a regular basis to look for improper or unauthorized transactions or any other irregularities, and to ensure that your accounts are being handled in a proper manner.

### 14. Biller Limitation

The Service reserves the right to refuse to pay any Biller to whom you may direct a payment. The Service will notify you promptly if it decides to refuse to pay a Biller designated by you. This notification is not required if you attempt to make a prohibited payment or an exception payment under this Agreement.

## D. ONLINE WIRE/FUNDS TRANSFERS

### 1. Description of Service



To access our Online Wire Transfers Service, you must be enrolled in Online Banking and Wire Transfer Services. This Service allows you to initiate domestic wires and certain international wires in U.S. dollars or foreign currency; in accordance with this Agreement and applicable state and federal laws and regulations and other applicable legal requirements (collectively, the "Wire Transfer Requirements"). If qualified for the service, you agree to comply with the Wire Transfer Requirements.

As used in this Global Transaction Terms and Conditions, the term funds transfer is equivalent to the term "funds transfer" as defined in Uniform Commercial Code, Article 4A. In this Global Transaction Terms and Conditions, "Payment Orders" include, without limitation, requests for, amendments, and cancellations to a funds transfer. A Payment Order may be requested for either the same Business Day (when available) or may be dated for a future day (called a value-dated Payment Order).

## **2. Payment Accounts**

By signing up for this service, you request that the identified accounts in the Application be made accessible through the Business Online Banking Service and enabled with online wire transfers access. When accounts are closed or no longer requiring the service, you must contact the bank to remove services in the form of communication deemed acceptable by us.

## **3. Payment Order**

You may request Payment Orders from those of your accounts as we agree, in the format, times, and following the restrictions as we may impose from time to time. We may require you to designate whether you wish to conduct recurring Payment Orders or non-recurring Payment Orders.

You will not submit a Payment Order on behalf of a third party without our prior written consent.

## **4. Cancellation or Amendment of Payment Order**

You acknowledge that we may cancel or reject any Payment Order that does not comply with the Terms and Conditions or with the parameters set by us from time to time for Payment Orders. We may reject any Payment Order without liability, including a "Value-Dated" Payment Order, if you fail to maintain sufficient Available Funds in a designated account or sufficient available funds in a credit line.

A Payment Order may be canceled or amended only if we have not transmitted the Payment Order or credited the Beneficiary's account. To be effective, the request for canceling or amending the Payment Order must (i) comply with security procedures and other terms and conditions as we set; and (ii) be received by us at a time and in a manner that gives us a reasonable opportunity to act on the communication. We will have no liability if cancellation or amendment is not effected.

## **5. Foreign Currency Transactions and Cross-Border Entries**

You acknowledge that foreign currency or Cross-Border Payment Orders must be based on a currency that traded by us and that all rates of exchange will be the rate in effect at the time the Payment Order is received by us or at any other rate as is agreed to by the parties.

Outgoing foreign currency wires are given a Value Date, typically two days ahead of the send date. Crediting and timeframe in which the Payment Order is credited is the responsibility of the international beneficiary bank. If the Payment Order is returned for any reason, you agree to accept any foreign money credit refund in United States Dollars, based on our then-current buying rate converting the currency to United States Dollars on the date of refund, less any charges and expenses incurred by us.

## **6. Inconsistency of Name and Number**

You acknowledge and agree that if a Payment Order identifies a Beneficiary or Receiver with a name and account number that does not match, payment of the Payment Order may be made on the basis of the account number even if the name of the account holder for that account does not match the name specified in the Payment Order, and you will be obligated to pay the amount of the Payment Order in such event.

## **7. Security Procedures**

You acknowledge and agree that special security procedures apply to Payment Orders (Section III-N below).

In addition, you agree to one or more security procedures that must be used by you in connection with the Service. If you refuse one or more security procedures offered by us, you accept full risk and responsibility for any and all unauthorized transactions, and indemnify us for any and all losses, liabilities and claims directly or indirectly arising out of online fraud losses (which may include losses from computer hacking, fraudulent online attacks and fraudulently created or modified wire transactions).

You also agree that you are responsible for monitoring and reviewing all activity on your account. We recommend that you inspect your statements on a regular basis to look for improper or unauthorized transactions or any other irregularities, and to ensure that your accounts are being handled in a proper manner.

## **8. Our Liability Concerning Wire Transfers**

Wire transfers are not subject to the Electronic Fund Transfer Act, Regulation E, or the error resolution provisions set forth above in this Agreement. However, such transactions remain subject to the Uniform Commercial Code (UCC) and to the remaining provisions of this Agreement. We are not responsible for any losses arising from or in connection with wire transfers unless such losses result solely from our negligence or intentional misconduct, or applicable law states otherwise.

You must contact us immediately if you think there is an error or an unauthorized transaction shown on your statement or notice. If your statement includes or discloses an improper or unauthorized transaction, you must notify us in writing, stating relevant facts, within 30 days after we mail, deliver, or otherwise make the statement available to you. If you do not, we are not responsible for any liability you may incur as a result of any loss of interest arising from the unauthorized or erroneous funds transfer. In addition, if you do not report an unauthorized or improper wire transaction within 30 days from the time the statement is mailed, delivered, or made available to you, the account balance indicated on your statement will be considered correct, and we will have no further responsibility or liability to you with respect to such statement and the transactions reflected therein.

## **E. ACH ORIGINATION**

### **1. Description of Service**

To access our Online ACH Origination Service, you must be enrolled in Online Banking and ACH Services. This Service allows qualifying customers to initiate payments to a third party (“Credit Entries”) and/or collections from a third party (“Debit Entries”) through the Automated Clearing House (“ACH”) all in accordance with this Agreement, the Terms and Conditions, and the National Automated Clearing House Association (“NACHA”) Operating Rules (“ACH Rules”).

### **2. Compliance with NACHA Rules and Laws**

All ACH Services provided are subject to the ACH Rules, and in the event of any conflict between anything contained in the Terms and Conditions, any bank policy, procedure, Agreement or representation, and the ACH Rules, the ACH Rules will prevail and govern.

You agree to comply with the ACH Rules for each ACH transaction on your account. You agree to comply with the ACH Rules as amended from time to time, including staying updated on amendments and rule changes, and any requirements governing the proper formatting of Entries. For definition of terms used in this Section, refer to the NACHA rules governing ACH transactions.

In the event we make a determination that continuation of the Services subjects the bank to risks, we may suspend or terminate any ACH Services, including Third-Party Sender Services, at any time upon notice to you. Suspension or termination of Services does not affect either parties’ rights or obligations with respect to Entries initiated prior to such suspension or termination.

When a preauthorized Debit Entry from a consumer’s account varies in amount from the previous Debit Entry, you must comply with the notice requirements set forth in the NACHA Rules, the Electronic Funds Transfer Act, and federal Regulation E.

### **3. Payment Account**

We may, without prior notice or demand, obtain payment of any amount due and payable to us for ACH transactions by debiting the accounts designated by you for such transactions (the “Designated ACH Accounts”). Unless we make alternative arrangements with you, the Designated ACH Accounts will also be the accounts to which Credit Entries are credited. You are required to maintain a sufficient balance in the Designated ACH Accounts at all times to cover expected transaction dollars originated by you. In the event there are insufficient funds in the Designated ACH Accounts to cover your obligations for submitted transactions, including amounts owed to us for reversals and for fees and other amounts, we may set off or debit such amounts from any other accounts you have with us (including any accounts in which you hold an interest with any other person or entity or in another capacity), whether established at the time the Designated ACH Accounts are established or established at some later time.

You further agree that we may, at any time, require you to establish a reserve account (the “Reserve Account”) into which we may deposit funds withdrawn by us from those other accounts to ensure that you will have sufficient funds to cover your payment obligations for ACH transactions. We will notify you if we require a Reserve Account and if we require any increase in the Reserve Account from time to time. You agree that we are not liable for nonpayment of any checks drawn against accounts from which we withdraw funds in order to fund the Reserve Account. Transactions submitted to us may be delayed until we are able to satisfy ourselves that the funds in the Designated ACH Accounts will be sufficient to satisfy any funding needs. In the event you terminate your relationship with us or otherwise close Designated ACH Accounts, in our sole discretion, we may continue to hold funds in the Designated ACH Accounts or Reserve Account up to three (3) years or until all outstanding transactions or returns have cleared and the timeframe for rejection or return has expired.

#### **4. Credit Facility/ Exposure Limits**

If you are approved for Credit Facility, we will settle to your account on the effective date (an “Effective Entry Date” as defined in the ACH Rules) of the items originated.

Along with Credit Facility Service, as part of our internal risk control procedures will determine ACH credit exposure limit(s) for all ACH customers. ACH debit exposure limit(s) are also established for customers approved by us for originating Debit Entries. These ACH exposure limits can include, but are not necessarily limited to: (i) total dollar value of individual ACH files transmitted to us; (ii) dollar value or number of individual ACH Entries within each file; (iii) frequency of origination of ACH files; and (iv) consideration of total exposure to us over multiple settlement dates related to all unsettled files originated by you. You agree that your ability to originate Entries is subject to exposure limits set by us. You agree to comply with the exposure limits we establish for you from time to time. You understand and agree that any file or file Entry received by us that would exceed any of the exposure limits established for you may, in our sole discretion, be delayed or rejected, and we will have no liability to you for any damages or losses you may incur arising from our election to delay or reject such files or Entries.

#### **5. Pre-Fund**

In the event you are not approved for a Credit Limit, you may be approved to initiate credit entries on a pre-funded (“Pre-Funded”) basis. Under this option, before we transmit Credit Entries to Receivers, your designated deposit account must have sufficient Available Funds to cover the amount of those Credit Entries. We are not obligated to contact you if nonsufficient funds exist. However, if contacted, you agree to immediately deposit readily available funds to cover the transaction. If we elect to release or process a file(s) against nonsufficient funds, we are under no obligation to release subsequent files against nonsufficient funds. We will utilize the Presentment Date for settlement and will debit funds or place a hold on your designated account on the day Entries are received. You must present Credit Entries to us before the cutoff time not less than two Business Days prior to the Effective Settlement Date of such Credit Entries.

#### **6. Debit Entries on the Effective Settlement Date**

We may place all or a portion of the funds represented by the Debit Entries on hold for a pre-determined number of Business Days following the Effective Settlement Date. The pre-determined number of hold days and portion(s) of hold(s) may be adjusted periodically based on your originations and returns.

#### **7. Your Representations and Warranties Regarding ACH Entries**

Each time you originate an Entry, you represent and warrant to us that: (i) each person showing as the Receiver on an Entry has authorized the transaction and the debiting or crediting of the designated account in the amount shown and on the Effective Entry Date designated on the Entry; (ii) such authorization is in writing and signed by or similarly authenticated for all Debit Entries; (iii) you have taken commercially reasonable measures to authenticate the Receiver; (iv) such authorization is operative at the time of transmittal to us; (v) Entries transmitted to us by you are in accordance with all requirements of this Agreement and the ACH Rules; (vi) you will perform all your obligations hereunder in accordance with all the ACH Rules and all other applicable laws and regulations, including Regulation E of the Federal Reserve Board and the sanctions and laws administered by the federal Office of Foreign Assets Control (“OFAC”); (vii) you are bound by and will comply with the ACH Rules and Requirements in effect from time to time, including without limitation the provision of the ACH Rules that makes payment of an Entry provisional until final settlement, and you specifically agree that if settlement is not received, we will be entitled to reverse such transaction.

You further agree to indemnify us from and against any losses or expenses we may incur as a result of any breach of these representations and warranties. In the event you violate any applicable Rules or regulations and

a fine is imposed on us due to your negligence, whether caused willfully, by negligence or otherwise, we may charge, and you agree to pay, such fine, including fees for research, attorney's charges and other related costs to the violation.

## **8. Rejection of Entries**

We may reject any Entries, with or without cause, at our sole discretion. Without limiting the foregoing, we may reject any Entries that do not conform to the requirements set forth herein and in the ACH Rules and any other standards, guidelines or procedures we may establish from time to time, or which contain an Effective Entry Date that is more than 30 calendar days after the date of receipt of the Entry by us. You agree that if we elect in our discretion to process a file or file Entry that would be subject to rejection for any reason, such action does not result in a waiver of our right to reject future files or file Entries that are otherwise subject to rejection. We have the right to reject On-U's Entries for any reason for which an Entry may be returned under the ACH Rules if processed through an ACH Operator.

We also have the right to reject any Entry or file that we believe in our reasonable judgment might be contrary to applicable law or that might subject us to unacceptable risk. We will notify you by telephone or other method at our discretion of such rejection(s) no later than the close of business on the Banking Day such Entry or file would otherwise have been transmitted by us to the ACH Operator or, in the case of an On-U's entry, the Effective Entry Date. Notices of rejection will be effective when given. We will have no liability to you for any rejection of an Entry or file as provided herein or the fact that such notice is not given at an earlier time than that provided for herein.

## **9. Disputes with Receivers**

In the event that we become involved in any dispute between you and any Receiver(s) relating to any Entry, you agree to hold us harmless and to indemnify us, our officers, directors, employees, and agents against claims, liabilities, and expenses arising out of the dispute.

## **10. Cancellation or Amendment of Entries**

You have no legal right to cancel or amend any Entry after we receive it. However, we will generally use reasonable efforts to act on a request by you for cancellation or amendment of an Entry if we can do so prior to its transmission to the ACH Operator or, in the case of an On-U's Entry, prior to debiting or crediting the Receiver's account, provided such request complies with the security procedures required for cancellation of ACH data. We will have no liability if such cancellation or amendment is not effected. We are not able to cancel or amend any Entry after it has been transmitted to the ACH Operator.

## **11. Permissible SEC Codes**

Once approved as an ACH Originator, upon review of your business needs, you will be approved to transmit Entries using specific Standard Entry Class (SEC) Codes. Should you transmit Entries to us using SEC Codes other than those previously approved, at our sole discretion, your file may be rejected and may not be transmitted by us to the ACH Operator or may be transmitted. In either case, you are obligated to comply with all applicable ACH Rules and applicable laws.

## **12. Notice of Returned ACH Entries**

We will notify you either by phone, FAX, electronic transmission or by mail, at our discretion, of the receipt of a returned Entry from an ACH Operator no later than one Banking Day after the Banking Day of such receipt. Except for an Entry retransmitted by you in accordance with the ACH Rules, we will have no obligation to retransmit a returned Entry to the ACH Operator if we complied with the terms of this Agreement with respect to the original Entry.

## **13. Notices**

We will provide you with all information, as required by the ACH Rules, with respect to each Notification of Change (NOC) Entry or Corrected Notification of Change (Corrected NOC) Entry received by us relating to Entries transmitted by you, by any form of communication deemed acceptable by us, no later than two (2) Business Days after receipt thereof. You are obligated to ensure that changes requested by the NOC or Corrected NOC are made within six (6) Banking Days of your receipt of the NOC information from us or prior to initiating another Entry to the Receiver's account, whichever is later. Should you receive notice that any ACH pre-notification has been rejected, you agree not to initiate any Entry until the cause for rejection has been corrected and another pre-notification has been submitted and accepted by the RDFI. You will cease initiating Entries

immediately upon receipt of any actual or constructive notice of Receiver's termination or revocation of authority.

#### **14. Returns**

Returns will be monitored for excess activity. You agree to work with us should you have returns that are deemed excessive or if we receive notice from any regulatory or governing body of excessive returns. Additional fees may be applied for Returned Debit Entries.

#### **15. ACH Account Reconciliation**

Entries transmitted by us, debited or credited to a Receiver's account maintained with us will be reflected on your periodic Statement for the Designated ACH Account. You agree to notify us promptly of any discrepancy between your records and the information shown on your periodic statement. If you do not notify us within thirty (30) calendar days after the first periodic statement on which a discrepancy appears, you agree that we are not liable for any and all losses and/or other discrepancies that result from your failure to give notice within such timeframe. You agree that you waive any right to dispute a transaction in the event you fail to notify us of the discrepancy within thirty (30) days after your receipt of the first periodic statement on which the discrepancy appears.

#### **16. ACH File Transmissions**

You may transmit ACH files directly to our ACH processing unit from a personal computer controlled by you or by use of third-party processor engaged by you. You also may transmit ACH files to us through our Online Banking platform. If you use our Online Banking, then the procedures for that platform will be provided to you separately, and those procedures will apply. If you do not use our Online Banking, then the following procedures will apply. In the event that you transmit files through a third-party processor, the third-party processor will be acting as your authorized representative and you will be responsible for ensuring that the third-party processor complies with all of the following requirements on your behalf.

#### **17. Authorized Computers**

When using our Online Banking, we will authorize you to use one or more computers for transmitting your ACH files to us. You are solely responsible for access by your employees or other authorized representatives to the authorized computers and to the data files maintained on the computer. Your authorized representative will be able to access the ACH system by utilizing prearranged logon procedures consisting of user identification names and passwords.

#### **18. ACH Scheduling Service**

If you use our ACH Scheduling Service, we will anticipate the receipt of an ACH file transmission from you on each scheduled processing date identified by you in writing on our form of ACH File Transmission Calendar (subject to our acceptance and approval). You are responsible for ensuring that we receive a transmission on each scheduled processing date or for notifying us if a transmission will not take place on a scheduled processing date. You are also solely responsible for ensuring that we receive any new or updated processing schedules as required. We are not responsible for untimely or erroneous ACH file transmissions that occur as a result of changes to your established processing schedule if not communicated to us in a timely manner and accepted and approved by us.

#### **19. ACH Data Integrity**

You are solely responsible for the accurate creation, modification, and deletion of the account information maintained on your personal computer and used for ACH transactions. You agree to comply with any written procedures provided to you by us for the creation, maintenance and initiation of ACH transactions.

#### **20. Retention of Records**

You must retain data on all files adequate to permit us to recreate all Entries for a period of at least thirty (30) calendar days following the date you transmit the files to us for processing, and you must provide copies to us upon our request. You must retain all written authorizations for ACH Entries for a period of at least two (2) years following the date on which such authorizations expire. For recurring Entries, you must retain authorizations for a period of not less than two years following termination or revocation of the original authorization. If you are entitled to originate Represented Check (RCK) Entries, authorizations must be maintained for at least seven years following the settlement date.

## **21. Reversing ACH Entries**

In the event of duplicate or erroneous files, as defined in the ACH Rules, we will allow you to send reversing Entries. Reversals must be made within five (5) days of the original settlement date per the ACH Rules. You must notify the Receiver by the end of the day on the settlement date for any reversed Entry submitted by you. You may make this notification by any reasonable method you choose.

## **22. Duty to Furnish Documents**

From time to time, we may be required to obtain Receiver authorizations. You agree to furnish us with copies of Receiver authorizations or other documents within five (5) Business Days of our initial request. Documents will be provided by you to us at your own expense.

## **23. Consent to Audit**

When applicable, at least annually, you will make yourself, your premises, your documentation and due diligence processes and procedures available for audit by us for compliance with the ACH Rules as well as mitigation of risk and regulatory compliance. We will provide you with no less than ten (10) days prior notice of any audit.

## **24. Special Security Procedures**

Special security procedures apply to Payment Orders via ACH established at the time you select the service. (See below).

## **25. High-Risk ACH Originators**

Banking regulators consider ACH Third-Party Senders and ACH Originators in specified industries and certain transaction types as high-risk originators. If we classify you as an “ACH High-Risk Originator,” you agree to supply us with additional information related to your ACH activities upon our request. The following ACH customers are deemed to be high risk:

- a. Third-Party Senders
- b. Originators of Internet-Initiated Entries (WEB), Telephone-Initiated Entries (TEL), and International ACH Entries
- c. Originators in high-risk industries, including, but not limited to, online payment processors, credit repair services, mail order and telephone order (MOTO) companies, or offshore businesses

You also agree to properly manage the use of our ACH services; this includes maintaining ACH returns within industry-defined tolerances (unauthorized returns must not exceed 0.5% return rates).

NACHA requires that all ACH Originators of Internet-Initiated Entries (WEB) perform an annual audit of their procedures concerning the security and protection of consumer information. You must certify in writing to the Bank that you have completed the ACH WEB Originator Annual Audit as required by NACHA.

## **26. Inconsistency of Name and Number**

An RDFI can make payment to a Receiver based solely on the account number, even if the name in the Entry differs from the name on the account. We may send an Entry to an RDFI based solely on the bank-identifying number you provide, even if the number is incorrect and identifies a different RDFI.

## **F. POSITIVE PAY SERVICE**

This Service is designed primarily to help you protect against fraud. Our Positive Pay Services include: Standard Positive Pay that compares cleared checks with issued checks; Positive Pay with Payee Match, that compares payee name data to the payee name on the check; reverse Positive Pay, that treats all items presented to Bank for payment as Exceptions to payment; and ACH Positive Pay, that determines ACH debit entries to post against your account. All of these services allow you to review transactions not previously authorized by you before they post to your account. To prevent erroneous returns, training may be required before some Positive Pay Services can be fully activated.

### **1. Standard Positive Pay and Positive Pay with Payee Match**

- (a) Standard Positive Pay Service matches checks presented for payment to Issue records. Positive Pay with Payee Match includes matching payee name to the payee name on checks in the Issue records.
- (b) Issues must be uploaded or manually entered into the *positivePayPlus* through the Bank's Cash Management System at any time during the Business Day and must be received prior to payment of checks.

- (c) If you will be uploading Issues, you agree to provide us with a test file of Issues prior to activating the Service. We will assist you in creating a format to ensure your file will successfully upload to the Service.
- (d) Any item presented to us for payment that does not match Issues on file will be flagged as an Exception. You must review Exceptions on a daily basis and issue a Pay Instruction or Return Instruction for each Exception. Exception instructions must be received by us from you by 1:00 PM (PT), Monday through Friday unless a non-Business Day.
- (e) In order to limit the number of Exceptions, you agree to: Update Issues as often as Customer issues checks; ensure the MICR encoding ink on checks is of high quality. Not using high quality MICR ink could result in a large volume of Exceptions; pay any charges resulting from the Bank's inability to accurately read the MICR encoding on checks printed by Customer's vendor; pay any charges due to Customer's failure to update Issues in a timely manner.
- (f) The Bank may, but is not required to contact Customer by telephone for instructions on an Omission. If you contact us by a means other than the Service, as to particular transactions or exceptions, we attempt to assist you with particular transactions or Exceptions, but we will not be obligated for any errors or losses.
- (g) If Bank is unable to contact an authorized contact person for instructions on an Omission, Bank will return or refuse to pay the item.

**(i) Definitions**

- (a) "Issue"/"Issues" - Issue, singularly, and "Issues", collectively are representations of checks manually added or imported in a file by the Customer to positivePayPlus.
- (b) "Exceptions - Check(s) presented for payment that do(es) not match Issues on file.
- (c) "Omission" means an item presented to the Bank for immediate payment (such as a check presented at a branch) not matching your Issue file.
- (d) "Pay Instruction" Customer instruction to Bank to pay a check listed as an Exception.(d) "Return Instruction" Customer instruction to Bank not to pay and return a check listed as an Exception.
- (e) "Service" means Positive Pay Services.

**(ii) Default Decision**

- (a) If you fail to make a timely "Pay" or "No Pay" instruction decision on an Exception item, you authorize the Bank to return these items unpaid.
- (b) To change the Bank's default instructions from "Return" to "Pay", please initial the appropriate selection on the Security Control Worksheet under Positive Pay Module.

**2. Reverse Positive Pay Services**

Reverse Positive Pay Service reports all items presented to the Bank for payment as Exceptions. Customer must review Exceptions on a daily basis and issue a Pay Instruction or Return Instruction for each Exception within the time required in Section 1(d) above.

**(i) Default Decision**

- (a) If you fail to make a timely Pay Instruction or Return Instruction to the Bank on an exception (a "Pay" or "No Pay" decision), you authorize the Bank to pay these item(s).
- (b) To change the Bank's default from "Pay" to "Return" under (a), please initial the appropriate selection on the Security Control Worksheet under the Positive Pay Module.

**3. ACH Positive Pay Service**

ACH Positive Pay allows you to use positivePayPlus to establish payment rules to determine which ACH Debit Entries will or will not post to your account. ACH transactions occur Monday through Friday, except on a non-Business Day.

- (i) Default Decision** - If you fail to make a "Pay" or "Return" decision by 5:00 PM (PT) on an ACH Exception, the ACH Debit Entry will be returned by us. You authorize the Bank to return these items.

**(ii) Definitions**

- (a) ACH Exception – An ACH Debit Entry that violates a payment rule. These items will be presented to you as an exception to make a “Pay” or “Return” decision.

- (b) ACH Blocks - An ACH Block may be set up for a specific type of Entry, a particular ACH Originator (Company), or maximum amount. The block can also be set up to expire on a designated date or have no expiration date. Items that meet the Block criteria will be presented as an ACH Exception.
- (c) ACH Filters - An ACH Filter may be set up to authorize ACH entries. ACH Filters can be added for a specific type of entry, a particular ACH Originator (Company), or maximum amount. The filter can also allow an entry on a frequency of Ongoing or One Time.

#### **4. Account Reconciliation**

Account Reconciliation enables you to monitor, track and reconcile activity in your designated deposit account. The reconciliation services available are Full Account Reconciliation, Partial Account Reconciliation and Deposit Reconciliation.

- (a) Full Account Reconciliation- Includes Positive Pay Service and Statement of Activity based on accounting cycle
- (b) Partial Account Reconciliation- provides Statement of Activity based on accounting cycle
- (c) Deposit Reconciliation- you assign a unique number in the serial field of deposit slips for each depositing location. At the end of the selected accounting cycle, we provide the Statement of Activity and reports that track deposit activity.

#### **5. Advanced ACH Reporting**

Advanced ACH Reporting is available for ACH Returns, ACH Notice of Change (NOC) and Electronic Data Interchange (EDI) Reporting which are available as downloadable reports.

#### **6. Customer Acknowledgements**

- (a) You acknowledge that Bank will have no liability for payment of a check which is unauthorized or fraudulent if (i) the check was an Exception, (ii) You did not issue a Return Instruction, and (iii) You did not instruct Bank to return the check in the stipulated timely manner.
- (b) You acknowledge that this Service does not preclude our standard check processing procedures, which may cause a check to be dishonored even if your instructions or the established procedure do not otherwise require us to return such a check.
- (c) You acknowledge that you must fulfill your responsibilities in connection with this Service on each Business Day whether or not open for business.
- (d) You acknowledge that you shall use the Service only for its own use in accordance with the terms of this agreement.
- (e) You acknowledge you are responsible for all transactions processed using this Service.

#### **7. Other Provisions**

For this Service, we may choose to honor your request to give us verbal instructions. You agree that Bank may in good faith rely on such verbal instructions that purport to come from an authorized Agent of the Company without independent verification by Bank. However, we will not be responsible for failing to act on any verbal instructions. We will be bound to act only in accordance with instructions by you using the service.

### **G. CASH VAULT SERVICE**

#### **1. Description of Service**

This Service allows you to process cash, coin and check deposits (“Deposits”) from you to your account with the Bank, and cash and coin orders (“Orders”) from the Bank to your place of business.

An approved armored carrier service provider (“Armored Carrier”) is required for cash and coin delivery between your location and the Bank’s cash vault facility (“Cash Vault Facility” or “Cash Vault Facilities”). An Armored Carrier, who shall not be a Bank employee, shall for all purposes be considered your agent. Orders and Deposits in transit will be considered your monies. We shall not be considered an insurer of any Deposits placed with the Armored Carrier. We shall not assume responsibility for collection or be considered to have received the Deposit until the Deposit is actually delivered and received for by the Bank at its designated Cash Vault Facility.

Similarly, any items returned or sent to you by us shall be deemed received by you when delivered by us to the Armored Carrier.



We maintain multi-custody electronic-processing and room-surveillance equipment at our Cash Vault Facilities for this Service.

## 2. Conditions for Service.

You agree to the following conditions for this Service:

- Deposits must be prepared in accordance with the Bank's standard procedures and instructions that may be amended from time to time.
- You will use only the supplies and documentation we give you for processing of your Deposits. To ensure that you receive your Deposits correctly, and to prevent a delay in processing your Deposits, you must correctly package your Deposits using bank-approved tamper evident bags, seal the supplies in the bag and accurately complete a duplicate deposit ticket, recording for correct deposit type (check and cash or coin) and receipt book.
- The depository bags shall contain no property other than: (a) negotiable instruments and/or cash owned by you; and deposit slip(s) indicating the total dollar amount of such negotiable instruments and/or cash and your account or accounts in which such items are to be deposited.
- Acceptable cash and coin must be in U.S. currency. Deposits of mutilated or contaminated coin or currency require special handling and packing by Customer and must be coordinated with the Bank. You agree not to use this service for counterfeit bills.
- Checks delivered to the Bank Cash Vault Facility must be payable through a U.S. Bank and in U.S. dollars and properly endorsed.
- Upon delivery of the Deposit to the Bank cash vault facility by the Courier/Armored Carrier, the Bank is authorized to open the bag and verify the contents, and to credit the contents thereof to your account. If the contents of the bag do not conform to the deposit ticket, the Bank will deposit such contents as are found therein. The risk of any loss or shortage is expressly assumed by you. The joint record of two Bank's employees shall be deemed to be conclusive evidence of the contents of the bag, and the risk of any loss or shortage is expressly assumed by you. You therefore agree to hold Bank harmless.
- The Bank will accept only those Deposits deemed acceptable by it. We do not knowingly accept Deposits, or partial Deposit bags, which we deem to be unacceptable, for example a bag that is damaged, has holes or is improperly sealed, or has evidence of tampering, and such Deposits and such bags will be deemed by us as though not delivered. Should we accept a deposit bag and notice any evidence of tampering, we will open the bag using our established security procedures (including opening the bag in dual custody), but you agree that we are not liable for any shortage within any shipment that is not distinctly and securely sealed in accordance with our instructions.
- You agree to maintain a complete record of all check items placed in the bottom part of the bags and in the case of loss, to promptly, diligently, and completely cooperate with the Bank in the identification or replacement of the items so lost.
- We will debit your account for the amount of each Order by you on the date of the shipment and, unless there is an obvious Customer error, credit your account for each Deposit on the next business day following the Date of receipt.
- You direct the Cash Vault Facility to accept, address, and release Orders to the Armored Carrier, and authorize the Cash Vault Facility to comply with your verbal and/or written instructions in accepting, changing and canceling Orders until such instructions are terminated. The Cash Vault Facility will be protected in acting on any oral or written request believed, in good faith, to be authorized by you.
- If you have one-day armored carrier delivery, you will advise the Bank's Cash Vault facility of the Order by 11:00 a.m. (local time of cash vault location) on the Bank Business Day prior to the requested date of delivery, and you may cancel the Order without charge provided the Bank's cash vault facility is notified before 11:00 a.m. (local time of cash vault location) on the Bank Business Day prior to the requested date of delivery.
- Orders received must be inspected by you prior to being accepted from the Armored Carrier, by examining the bag, shipping seal or coin box for integrity of condition. Damaged or torn shipping bags or bags with loose or missing shipping seals or opened or unsealed coin boxes must be refused.
- You recognize that in following your instructions, the Bank may come into possession of items which parties other than the Bank can deposit or claim an interest in. In that regard, you hereby agree to at all times indemnify and hold the Bank harmless from and against any and all claims, actions, whether

groundless or otherwise, as well as from and against, any and all liabilities, losses, damages, judgments, costs, charges, attorneys' fees, and any other expenses of every nature and character in any way related to claims by any party or parties other than you, whether by action or non-action, with respect to any item of any nature whatsoever, alleged or claimed to have been delivered to the Bank by you.

- Deposits delivered on a Business Day after closing or on a day when the Bank or Cash Vault Facility is not regularly open for business, need not be opened, verified or credited by Bank or Cash Vault Facility until the following Business Day.
- We will retain evidence of Deposits and Orders per our policy and consistent with the retention of order and deposit information for other customers. Upon written request by you, we will make such items, or copies, available to you.

## H. DEPOSITBRIDGEPLUS® REMOTE DEPOSIT CAPTURE SERVICE

### 1. Description of Service

This Service allows you to scan images of checks and other items (each, an "Electronic Image") at your place of business to create electronic images of paper checks and drafts ("Items") as described in this Agreement, the user guide and other guidelines as we may communicate from time to time, and to transmit an electronic file or image cash letters of such Electronic Images and other information (collectively, the "Electronic File") to us for deposit to your deposit account with us. After we receive your Electronic File, we, at our sole option, will use the Electronic File to either: (a) create substitute check(s), Image Replacement Documents ("IRDs") that we present to the bank on which the Paper Item is either: (i) drawn or (ii) payable at or through (each, "Paying Bank"); or (b) generate one or more electronic files (from the original Electronic File) for presentment directly or indirectly to Paying Bank.

**Substitute Check or IRD** means a copy of an original check, created from a check image. Substitute checks should meet ANSI X9.90 standards. The term substitute check shall have the meaning and definition as set forth in the Check Clearing for the 21st Century Act ("Check 21") and Federal Reserve Board Regulation CC's Availability of Funds and Collection of Checks, 12 C.F.R. Part 229, as it may be amended from time to time.

**Original Check** means the paper check that you scan to create a check image. **Check Image** means an electronic image of an original check (including a substitute check) and the accompanying MICR data information created by you in connection with the Service. **MICR** data stands for Magnetic Ink Character Recognition information in compliance with various ANSI X9 standards covering MICR placement, quality and image replacement documents.

### 2. Conditions to your use of the Service

As conditions to using the Service, you will: (a) maintain your account in good standing; (b) meet credit standards established by us and provide financial information as requested from time to time; (c) comply with the user guide, the Check Safekeeping and Destruction Guidelines, and other guidelines and restrictions regarding the Electronic File as we may communicate to you from time to time, and (d) agree that, annually, we may require you to complete an online "Self-Assessment" of your remote deposit activity and/or agree to a "Site-Visit" conducted by the Bank to ensure that you are in accordance with the established Check Safekeeping and Destruction Guidelines.

### 3. Creating Electronic Images and Transmitting Your Electronic File

You will use hardware meeting our specifications and our *depositBridgePlus* Service to scan Items that you wish to deposit to your account and to transmit your Electronic File. As an alternative, if you do not use our equipment or software, you may send us Image Cash Letters ("ICL") or use a third party, acting as your agent, to transmit ICLs to us. The format of your Electronic File must meet our Electronic Check File specifications, which may be updated from time to time. You are solely responsible for providing secure telecommunications to communicate electronically with or transmit Electronic Files to us either via the Internet or through our other approved methods. You will transmit to us only Electronic Images which are suitable for processing, including, but not limited to, Electronic Images that are legible and contain readable MICR data.

### 4. Disposition of Imaged Checks

After our receipt of any transmission of imaged Items for deposit to your account, the system will acknowledge by electronic means receipt of your deposit transmission. Your electronic transmission is subject to proof and verification. You agree to retain and safeguard the originals of all imaged Items after validation in accordance with commercially reasonable standards and with your internal procedures for not less than ten (10) calendar

days or for such time as is required by and in accordance with applicable law, statute, or regulation. Thereafter, within 60 days of transmitting the Electronic File, you will destroy the originals of all such imaged Items or make arrangements for future destruction or storage with a third party document management provider in a commercially reasonable manner. You agree to take commercially reasonable steps to safeguard the originals and the content of data contained of, on or related to such imaged Items until such time as they have been destroyed. You further agree that you have sole responsibility for such items, even after transfer to a third-party provider, and for the due diligence of that third party provider. You further agree that in securing and destroying Items as required by this section, you will comply with any Check Safekeeping and Destruction Guidelines provided by us to you.

## **5. Equipment**

We may provide certified equipment and/or software (collectively, "Equipment") that you can use to scan and transmit images of the front and back of checks and other information (e.g. MICR line data) to us. You have the option to lease or buy Equipment. Leased Equipment will be supported by us. Purchased Equipment or any Equipment that is purchased or leased from a third party by you is not maintained by us and must conform to our specifications. All Equipment not purchased or leased from us must be approved by the Bank. You are responsible for all other equipment or services that are required for this Service, such as a computer, modem, internet connectivity and consumables (e.g. ink cartridges). It is your responsibility to report Equipment problems to us during business hours for Equipment provided by us. You can call our Client Services for hardware issues.

If your Equipment is not operable for any reason, you have the option of making check deposits at the branch. If you are outside of our branch network, you can arrange for a courier to pick up check deposits. If a scanner is damaged, you must contact us for replacement.

## **6. Responsibility for Preventing Multiple Deposits of the Same Item and Indemnification**

You agree to implement commercially reasonable procedures to ensure that no Item is deposited more than once via electronic, physical or other means, either with us or with any other financial institution, whether intentionally or unintentionally, whether as a result of fraud for any other reason whatsoever. You agree that the aggregate amount of any Items which are deposited more than once will be debited from your account, and to the extent funds in your account are insufficient to cover such amount, any balance will be debited by us from any of your other deposit accounts as determined by us in our sole discretion or payable by you to us. You further acknowledge that you are responsible for the processing and handling of any original Items which are imaged and deposited utilizing the Services and you assume all liability to the drawer of any Item imaged using the Services or liability arising from our printing of any substitute check from those images.

You acknowledge that in order to avoid liability for multiple and/or subsequent deposits of the original Item, any original Item transmitted by you for deposit using the Service shall contain a restrictive endorsement that is inconsistent with the means of subsequent deposit of the original check, such as, "Remote Deposit Only EWB." If you transmit an Item that does not contain the restrictive endorsement and/or you fail to maintain the safekeeping of an Item, and there is a duplicate presentment of the Item, you agree to indemnify East West Bank for any and all amounts incurred or paid by the Bank, resulting from a claim by a subsequent depository bank that received a deposit of an original paper Item that was returned unpaid because the Item was previously deposited using the Remote Deposit Capture Service.

## **7. Processing Your Electronic File and Funds Availability**

If you make a deposit at the Depository Bank before our cutoff time (9:00 PM Pacific) on a Banking Day, we will review and, if appropriate, process the Electronic File on that Banking Day. If you make a deposit to the Depository Bank after the cutoff time on any Banking Day, we may process your deposit on either the presentment date or on the following Banking Day. The funds for the checks that you deposit through the Service may not be immediately available to you. The funds for all accepted checks will be available in accordance with our funds availability schedule, governed by Federal Reserve Board Regulation CC, contained in the Deposit Agreement.

## **8. Exception Items**

When we review and process your Electronic File, we may reject any Electronic Image that we, in our sole discretion, determine to be ineligible for the Service (each, an "Exception Item") including, without limitation, Electronic Images of items drawn on a foreign bank or payable in foreign currency, illegible (due to poor image quality or otherwise) or with unreadable MICR information, and Electronic Images of Items previously

processed or previously converted to substitute checks. We will notify you of all Exception Items and related adjustments in writing. You agree that if you wish to attempt to deposit any Exception Item to any of your accounts with us, you will only do so by depositing the original Paper Item on which the Exception Item is based. You acknowledge and agree that even if we do not initially identify an Electronic Image as an Exception Item, the substitute check created by us may nevertheless be returned to us because, among other reasons, the Electronic Image is deemed illegible by Paying Bank. Our failure to identify an Exception Item will not preclude or limit your obligations to us.

## 9. Your Special Warranties for this Service

In addition to the General Warranties and Representations by you, you represent and warrant to us that:

- You will use the Service only for Items that are payable to or endorsed or eligible for deposit by you and that are not disqualified for any other reasons, including those described previously as Exception Items.
- This Service will not be used with personal accounts and personal checks unless we provide explicit written authorization from the Bank
- Only original U.S. Dollar checks drawn on a U.S. Bank will be deposited through the Service.
- With respect to each check that you transmit electronically to us: (a) you have the legal right to accept the check for deposit and negotiation, regardless of the name of the payee shown on the check; (b) you will not use the Service to deposit any checks that are third party or second endorsed checks; (c) the images and information that you transmit accurately represent all of the information on the front and back of the original check, including, without limitation, all endorsements, at the time of transmission; (d) you have not taken any action that would obscure, alter or impair the capture or transmission of information on the front or back of the check or that otherwise may prevent us or another institution from capturing or processing such information; (e) you make all warranties that would otherwise apply to the check if it had been a paper item deposited with us; (f) you make all encoding, transfer, presentment and other warranties that we (or any correspondent bank we use) are deemed to provide to others (e.g., as a reconverting bank); (g) the check will not be presented for deposit or payment more than once; and (h) if we agree that you may process previously truncated and reconverted substitute checks through this Service, you will ensure that the identification of previous truncating and reconverting banks are preserved and that returned substitute checks meet the requirements for legal equivalency under Federal Reserve Regulation CC.
- You will maintain control over and responsibility for retention and destruction of original Items. In that regard, you are responsible for the safekeeping of all original Items and other sensitive information in accordance with applicable law and commercially reasonable industry standards.
- You will destroy or have destroyed all original Items from which you have previously created and submitted to us an Electronic Image as stated previously in this Agreement.
- You will not submit any duplicate Electronic Images to us.
- You will not deposit to your account or otherwise negotiate any original Item from which you have previously created and submitted to us in an Electronic File or which was previously presented at another bank, and will not deposit to any account or otherwise negotiate at another bank any original Item which you have previously submitted to us as an Electronic File, unless we have notified you that the Electronic Image is an Exception Item and allow such deposit.
- You will transmit to us only Electronic Images which are suitable for processing, including, but not limited to, Electronic Images that are legible and contain readable MICR data.
- You agree to notify us immediately if duplicate Items are transmitted to us using the Service or if a duplicate deposit is made either to us or to any other financial institution. You agree to fully cooperate with us in identifying all duplicate Items.
- You and clients with whom you do business are reputable and are not using us as a conduit for money laundering or other illicit purposes, and none of your transactions to be processed are prohibited by any applicable law, regulation, rule, order, or judgment.
- None of your payors, affiliates or employees are a national of a designated blocked country or “Specially Designated National” (“Blocked Entity,” “Specially Designated Terrorist,” “Specially Designated Narcotics Trafficker,” or “Foreign Terrorist Organization”) as defined by the United States Office of Foreign Assets Control (“OFAC”).
- You agree to abide by all federal and state laws and rules and regulations applicable to banking transactions.

## **10. Your Special Indemnity for this Service**

In addition to the General Indemnity by you for the Services we provide, you will indemnify, defend, and hold harmless Bank and its affiliates and each of their respective directors, officers, employees, and agents (“Indemnitees”) from and against all liabilities, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, “Losses”) by Indemnitees arising directly or indirectly from or related to the following (except for Losses arising directly or indirectly from or related to our own gross negligence or willful misconduct):

- Bank acting as a "reconverting bank" under the Check 21 Act through the creation of “substitute checks” or purported substitute checks using an Electronic Image, Electronic File or an illegible Electronic Image;
- Any image that does not meet quality standards. In this regard, you expressly acknowledge that you are responsible for the image quality and recognize that you or the Bank may be unable to collect if an image is unreadable;
- Bank presenting to paying bank an Electronic File for payment;
- Your failure to safeguard electronic data, safeguard or dispose of original Items in accordance with previously stated warranties, in which event, such losses will include without limitation consequential damages; and
- Any electronic virus or viruses that may be encountered. We suggest that you routinely scan your computer using a virus protection product.

## **11. Business Obligations**

You represent and warrant that each Check you process hereunder and the corresponding Electronic Image:

Is a “Digitized Image” of the front and back of the check and accurately represents all the information on the front and back of the check as of the time you converted the check to an Electronic Item;

Contains all endorsements applied by parties that previously handled the check in any form for forward collection or return; and Are subject to all transfer and presentment warranties under applicable law and the Bank’s Terms and Conditions for Deposit Accounts.

This Paragraph will survive the termination of your use of the Services.

## **III. GENERAL TERMS AND CONDITIONS APPLICABLE TO SERVICES**

The following general terms and conditions apply to all of the Services, unless expressly stated otherwise in the Terms and Conditions for Specific Services section of this agreement.

### **A. AVAILABILITY/CUTOFF HOURS**

These Services are available for use only on Business Days, except during maintenance periods, or such other hours as established by us from time to time.

Each Service may have cutoff hours as set forth in various User Materials. Cutoff hours may change from time to time, upon notice by us to you. In general, transactions initiated or instructions received after the established cutoff hour will be considered as having been made on our next Banking Day.

### **B. BANKING AND BUSINESS DAY**

Unless we notify you otherwise in writing, our Banking Day and Business Day shall be Monday through Friday; Saturdays, Sundays, and federal holidays are not considered business or Banking Days, even if we are open.

### **C. COMMINGLING SERVICES**

If you select Services that allow you to access account information and/or conduct transactions including transfer of funds between accounts that do not have the same taxpayer identification numbers, you accept any financial liability resulting from commingling and/or movement of funds from the various accounts, including allocating appropriate funds to the correct business entity and maintaining record-keeping, and further agree to indemnify Bank for any claim arising out of commingling among the selected entity accounts.

### **D. CONDITIONS TO PROVISION OF ANY SERVICE**

As conditions to us providing any Service, you will, (a) maintain your Account in good standing; (b) meet credit standards established by us and provide financial information as requested by us from time to time; and, (c) comply

with the User Guides and other guidelines and restrictions regarding your service(s) as we may communicate to you from time to time; and, (d) use the Service solely for bona fide and lawful purposes permitted under this Agreement.

## **E. CONSENT TO VERIFICATION AND CREDIT INFORMATION**

In accordance with federal law, we must make a reasonable determination and verification of our clients' profile information. Until verification is completed, we may not be able to service and maintain your account. By requesting any Services, you acknowledge and consent to us obtaining background and/or credit reports necessary to comply with any federal or state statutes or industry regulations.

## **F. DUTY TO REVIEW STATEMENTS AND ITEMS**

You have a duty to protect your account from abuse. You must promptly examine and reconcile your periodic statement and any items paid against your account when those statements and/or items are provided to you or made available to you through any of our Services. It is important that you notify us, in writing, of any error, omission, alteration, unauthorized signature, or other irregularity in payments or statements and any loss, theft, or improper or unauthorized use of any register or instrument evidencing funds on deposit. If you do not report unauthorized transactions within thirty (30) days after the statement is mailed or made available, we will not be liable for payment of any forged or unauthorized items shown on the statement. In the event unauthorized or forged transactions are committed by the same person, the thirty (30) days begins on the date the first statement in which the first unauthorized transaction appears is mailed or made available. See your Disclosure Booklet for additional information and details.

## **G. ELECTRONIC BANKING SERVICES**

### **1. Electronic Banking Services**

We offer various electronic banking services from time to time, some of which are accessible via the Internet and others of which are software based. You hereby authorize us to offer our various electronic banking services via licenses and/or third party providers. The Electronic Fund Transfer Act or Regulation E does not apply to business accounts.

### **2. Electronic Communications**

If you use any electronic banking service or Internet banking service, you agree that any and all disclosures and communications regarding those services or the Terms and Conditions may be made electronically, by posting to our Web site in accordance with applicable law. Any electronic disclosure or communication we make will be considered made when transmitted by us and any disclosure or communication we make by posting to our Web site will be considered made when posted by us.

### **3. Equipment Software**

You must provide, properly install, update, and maintain in good working order, all software, hardware and Equipment necessary to use the Service. You accept full responsibility for the security and confidentiality of all matters related to the Equipment. Any Equipment requirements are described in the User Materials, as amended from time to time. Unless otherwise agreed between you and us, we are not responsible for the installation or setup of any Equipment. We do not guarantee access to any Services from all computers, modems or communication software packages. Should you choose to use equipment not listed in the User Materials or not previously authorized by us in writing, we may not support such equipment and you may not be able to access the Services with such equipment.

## **H. ERRONEOUS REPORTS**

If you receive an Erroneous Report, you will immediately notify us by telephone and will return the original Erroneous Report to us by U.S. Mail or, if instructed by us, destroy the Erroneous Report in a commercially reasonable manner. You agree you will not disclose, use, review, copy, sell, disseminate, publish or distribute any Erroneous Report.

## **I. FEES/PAYMENTS FOR SERVICES**

You will pay us for the Services at the current price we quote plus, if applicable, additional fees and expenses for any taxes or extraordinary Services. With some exceptions, the amounts due for the Service(s) may be charged in full or in part to Account Analysis. (See Section II (A) above). You agree that we may debit any of your accounts for any and all fees and expenses for your designated services. You agree at all times to maintain sufficient funds in your accounts to pay all fees arising out of or related to the services used by you. If you close your account or

terminate any Service, you will owe us fees and charges for any unpaid Services and for the month in which your account was closed or in which any Service was terminated. We may collect both actual and estimated fees and charges directly from you if there are insufficient funds in your accounts, or after the time you close your account. You remain liable to us for any unpaid fees and charges which are not paid at the time your account(s) are closed.

You are responsible for any and all telephone access fees and/or Internet service fees that may be assessed by your telephone and/or Internet service provider in connection with the services.

## **J. FUNDING LIMITS; AVAILABLE FUNDS**

In our sole discretion, we may establish a funding limit ("Funding Limit") from time to time with respect to any Service, including, without limitation, for the Controlled Disbursement Service and for any Payment Orders originated through the ACH Service. We will have no obligation to you to fund any Service for amounts in excess of Available Funds in designated deposit accounts.

## **K. THIRD PARTY SERVICE PROVIDER**

If we arrange to provide any Service to you through or with a third party service provider, we reserve the right to arrange to provide such Service with or through a different third party service provider without notice to you. In such case, the terms and conditions applicable to the third party service provider in this agreement will apply to such new third party service provider unless you are notified otherwise in writing.

If you use third party service providers in connection with any of your Services with us, (i) all Terms and Conditions shall apply, (ii) you agree to notify such third party services provider(s) of all Terms and Conditions and shall require its compliance therewith, and (iii) your obligations to indemnify us under this Agreement shall also apply to access and use of the Services by such third party service provider(s).

## **L. GENERAL REPRESENTATIONS AND WARRANTIES BY YOU**

You represent and warrant that:

- (i) You have taken all necessary action to authorize the execution and delivery of the Terms and Conditions;
- (ii) The person signing the documents establishing your account relationship is duly authorized to do so;
- (iii) You have the authority to give us instructions and to have your accounts and affiliates included in this agreement. You agree to provide written authorization from you and from such affiliated companies permitting their accounts to be included in this Agreement and authorizing your access to such accounts in a form and substance acceptable to us upon request.
- (iv) You have obtained all authorizations of any governmental body required in connection with your agreement to the Terms and Conditions and such authorizations are in full force and effect;
- (v) Your acceptance of the Terms and Conditions and your performance of your obligations under the Terms and Conditions will not violate any law, ordinance, charter, by law, or rule applicable to it or any agreement by which you are bound or by which any of your assets are affected;
- (vi) All information, documents, statements (written or oral), agreements and work papers furnished or to be furnished in writing to us by you relating to you ("Information"), including without limitation any Information containing any representation, warranty, covenant or agreement made in respect of you, your affiliates or their business and operations, is or will be at the time of delivery to us accurate and complete in all material respects. You understand that we may rely on such Information in connection with transactions effected for credit to your accounts;
- (vii) None of your payors, affiliates or employees are a national of a designated blocked country or "Specially Designated National," ("Blocked Entity," "Specially Designated Terrorist," "Specially Designated Narcotics Trafficker," or "Foreign Terrorist Organization,") as defined by the United States Office of Foreign Assets Control.
- (viii) There is no claim, or any litigation, proceeding, arbitration, investigation or material controversy pending, against or affecting you that will have a material adverse effect on your or our ability to perform its obligations under this Agreement.
- (ix) You agree to abide by all federal and state laws, and rules and regulations applicable to banking transactions.
- (x) Products and services described in this Agreement will remain our property and you have no rights to the Service, any other property of ours, and property of our suppliers or their suppliers directly.

- (xi) You will use the products and services only for your own business use and/or for its intended purpose as described in this Agreement.
- (xii) Both you and your clients with whom you do business are reputable and are not using us as a conduit for money laundering or other illicit purposes and none of your transactions to be processed by us are prohibited by any applicable law, regulation, rule, order, or judgment.
- (xiii) You will maintain control over and responsibility for all sensitive electronic data relating to consumer information received by you including but not limited to consumer names, addresses and account numbers. You are responsible for safekeeping of all electronic data and notification of any compromise of such data to us.
- (xiv) You are solely responsible for complying with all applicable laws regarding payment systems including anti-money laundering laws, and regulations of the OFAC. In no event will you use any Service for money laundering, terrorist financing nor any other illegal purposes.
- (xv) An electronically created item (“ECI”) is an electronic image that has all the attributes of an electronic check but is not originally derived from a paper check. You agree not to deposit an ECI. You warrant that any item you deposit has been created from a paper check and was authorized by the account holder. If you deposit or create for deposit an ECI, you agree to indemnify the Bank for any liability or loss resulting from a breach of any of these warranties and to fully reimburse the Bank for all losses incurred, including any loss due to the item not being derived from paper.

## **M. GENERAL SECURITY PROCEDURE REQUIREMENTS**

### **1. Introduction**

The following general security procedure requirements apply to any Services provided. Certain services require special security procedure requirements. The User Materials for those Services outline in detail the security safeguards that allow you to setup authorized users, authorized transaction types and dollar limits on all transactions. For certain Services, you will be responsible for the administration, including the deletion of authorized users.

### **2. Access**

Most Services can be accessed and instructions and communications can be given by you to us by electronic means, such as a computer terminal. If we give you access to a secure system of communicating with us, such as our online banking services, you will be given or will select a user id and password. Each individual who is authorized by you to access these services must have a unique user id and password. You will be responsible for the confidentiality and use of each user id and password. You will be responsible for all instructions received by us through and under any authorized user id and password. We reserve the right to require you to change any or all of the security procedures or codes at any time. We may require that you designate an individual (and, where applicable, we recommend that you have at least two individuals) who is authorized to take control of the security procedures inherent in the Service. Unless we are otherwise advised, the employee(s) (up to two), who execute the enrollment agreement are conclusively presumed to be your Designated Company Contact (“DCC”). The DCC is, or can assign to another(s), the role of System Administrator(s). The System Administrator(s) is responsible for assigning the levels of security necessary for you.

### **3. Default Password**

Any initial default passwords are sent to the DCC under separate cover.

### **4. Password Change**

Any System Administrator(s) will be required to change the initial passwords the first time they use their IDs to login into the System. It is the System Administrator’s responsibility to understand the security capabilities built into the Service and to assign and, as appropriate to your business and security needs, to restrict access to the various applications only to those employees who have a need to know, keeping in mind the importance of separation of duties as an important way of protecting You. The System Administrator also maintains the responsibility of setting certain limits related to dollar or volume thresholds for authorized users.

### **5. Agreement to Comply**

You agree to follow the security procedures we have established for your communications with us.

### **6. Confidentiality**

We do not publish these security procedures or make them generally available to the public because doing so would compromise the integrity of the security procedures. You are responsible for maintaining the



confidentiality of any security procedures established. If you or your agents have reason to believe that any security procedures (including any identification codes) have or may have become known by unauthorized persons (whether or not your employees), you will immediately notify us by telephone.

## **7. Our Reliance**

Until you notify us and we have a reasonable opportunity to act on the notice, you will remain responsible for any transactions and/or instructions given by use of each user id and password. You are solely liable for any transactions and/or communications initiated by us before we have received notice from you of the breach or potential breach of any security procedure and have had a reasonable opportunity to act on such notice.

## **8. Breach of Security Procedures**

You agree to notify us immediately if you become aware of: (i) any loss or theft of any user id or password; or (ii) unauthorized use of user id and/or password, or of the Service or any information. You further agree to notify us immediately if we are required to take any action to terminate access to any Services by any user(s). You agree to confirm any oral notification in writing to us within 24 hours. You agree to cooperate with us to replace the security procedures (including any identification codes) in accordance with our security requirements.

## **N. SET-UP FORMS FOR SERVICES**

We may require you, from time to time, to provide information specific to a Service on a form referred to herein as a "Set-Up Form." You have the sole responsibility of ensuring the accuracy of the information input by you or us on any Set-Up Form, and we have no obligation to ensure the receipt or accuracy of such information. If you do not promptly notify us, and in any event no later than thirty (30) days from Service initiation, in writing, of any error, discrepancy, or omission in the Set-Up Form(s), we will not be liable for providing a Service in accordance with all instructions as provided in the Set-Up Form(s). You agree to be bound to the terms of any Set-Up Form, whether or not it is signed by you.

## **O. SPECIAL SECURITY REQUIREMENTS FOR PAYMENT ORDERS**

You agree to comply with the Security Procedures chosen by You in any Agreement, Set-Up Form or other Terms and Conditions for Services (singularly, "Security Procedure," collectively "Security Procedures"), with respect to all Payment Orders you originate and transmit to us. You agree that if You decline a standard Security Procedure offered by us, You will be bound by Payment Orders, whether or not authorized by You, in Your name and accepted by us in compliance with the Security Procedure chosen by You. For all Funds Transfers (as defined in Uniform Commercial Code, Article 4A or Article 11, as applicable) and for all Payment Orders (including, without limitations, request for, and amendment and cancellations to a Funds Transfer), using a Service, you agree, in additions to the Terms and Conditions for the Service, as follows:

You agree to comply with the following security procedure requirements with respect to all Payment Orders you Originate and transmit to us. You understand and acknowledge that the purpose of Security Procedures is to verify the authenticity of Payment Orders delivered to us in your name and not to detect errors in transmission or in the content of Payment Orders submitted to us. You agree to implement appropriate procedures to ensure the accuracy of all Payment Orders submitted to us and the integrity of the transmission of such Payment Orders. You further agree that the Security Procedures are a reasonable and satisfactory method of verifying the authenticity of Payment Orders and that we may act on any Payment Order that we have verified in accordance with the Security Procedures. If a Payment Order (or a request for cancellation or amendment of a Payment Order) received by us purports to have been transmitted or authorized by you, it will be deemed effective as your Payment Order and you will be obligated to pay us the amount of such Payment Order Entry even though the Payment Order was not in fact authorized by you so long as we act in compliance with the Security Procedures chosen by You. If a Payment Order received by us was in fact transmitted or authorized by you, you will be obligated to pay the amount of the Payment Order regardless of whether we followed the Security Procedures. Regardless of the method you use to transmit files to us, you are strictly responsible for establishing and maintaining procedures to safeguard against unauthorized transmissions including but not limited to fraud protection tools recommended by us. Your failure to establish and maintain such fraud protection procedures will result in your liability for all Payment Orders paid by us, whether or not authorized by you. You warrant that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards and that you will take reasonable steps to maintain the confidentiality of the security procedures and any passwords, codes, security devices and related instructions. You agree to notify us as soon as possible if you believe or suspect that any unauthorized person has received access to any security information, but

doing so will not affect your liability for any transactions processed by us in good faith prior to receiving such notification and acting within a reasonable time to prevent unauthorized transactions.

You agree to report to us immediately any suspected, attempted, successful or imminent threat of unauthorized access, use, disclosure, breach, modification, or destruction of information and/or systems.

## **P. INTERNET ACCESS AND INFORMATION SECURITY**

You acknowledge that we do not control the Internet or other information systems operated by third parties and you will not hold us or our agents liable for any failures, acts, or omissions of any third party information system operator, including but not limited to, unauthorized access to, alteration, theft, or destruction of information and data. You agree to employ a commercially reasonable security technology for transmitting all data including check images and deposit data to us. In the event of a change in the commercially reasonable standard as a result of technological advancements, you agree to utilize such security technology which will satisfy such then commercially reasonable standard. You agree that we are not responsible if your computer system, your internal controls or other operating software causes interaction between us to operate poorly or slowly. You agree to audit your security practices and otherwise comply with our security guidelines pertaining to Internet security as provided to you in writing. We may require that you use certain anti-fraud software and may offer additional anti-fraud security guidelines from time to time. You agree to follow such requirements and guidelines. However, you agree to implement additional anti-fraud and security measures as you deem appropriate; no list of security practices and guidelines by us is all-inclusive or foolproof, and you remain responsible for your security procedures. You acknowledge and agree that such rules may be modified by us, such modifications to be effective upon the giving of notice thereof by us to you. You agree that your email system will not block emails from our domain and that you are fully responsible if your email system blocks emails from our domain. You must take preventative action to scan all files for viruses.

## **Q. INDEMNITY**

We will not incur any liability with respect to any act or omission in reliance upon any document, including any written notice or instruction provided for in the Terms and Conditions. You agree to indemnify and hold us harmless for any and all actions we take in accordance with your instructions (even if we vary from our standard procedures in honoring such instructions), our presentment and services based on illegible or unreadable electronic data or images, and your failure to safeguard electronic data and items. In the event that we or our respective officers, directors, shareholders, agents, representatives or affiliates, or any heirs, legal representatives, successors, and assigns of the foregoing (each an "Indemnified Party" and collectively the "Indemnified Parties") become involved in any capacity in any action, proceeding or investigation brought by or against any person (including you) arising out of or based upon any false representation or warranty or breach or failure by you to comply with any covenant or agreement made by you herein or in any other document furnished by you to any Indemnified Party in connection with the Terms and Conditions or any transaction effected pursuant to the Terms and Conditions, or any claim is otherwise made against any of the Indemnified Parties arising out of the performance by us of our duties and obligations under the Terms and Conditions, you will indemnify and hold harmless each of the Indemnified Parties from and against any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements (including reasonable legal costs and expenses) of any kind or nature whatsoever (collectively, "Losses") incurred in connection therewith, other than such Losses that are ultimately determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from such Indemnified Party's gross negligence or willful misconduct.

You further indemnify, defend, and save harmless Bank and its affiliates and each of their respective directors, officers, employees, and agents ("Indemnitees") from and against all liabilities, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, "Losses") by Indemnitees arising directly or indirectly from or related to the following (except for Losses and arising directly or indirectly from or related to our own gross negligence or willful misconduct):

- Any negligent or intentional act or omission by you in the performance of your obligations under this Agreement;
- Any material breach in a representation, warranty, covenant, or obligation of you contained in this Agreement;
- The violation of any applicable law, statute, or regulation in the performance of its obligations under this Agreement;
- Your failure to safeguard electronic data.

This Indemnity Section will survive the termination of the Terms and Conditions and all Services.

## **R. JOINT AND SEVERAL AUTHORITY**

If more than one party joins in one or more Services, the contractual obligations will be the independent obligations of each party, the obligations hereunder being joint and several. Each of you agrees that there is no expectation of privacy between the entities that have joined in the Services. You hereby represent and warrant to us that any and all transfers and commingling of funds required or permitted by any Services, and all other aspects of the performance hereof by the parties, have been duly authorized by law and by all necessary parties, including, without limitation, the account holder of each account and that each of you have obtained and will maintain in your regular business records and make available to us upon reasonable demand, adequate documentary evidence of such authorization from the account holder of each account, executed by the duly authorized officer(s) of each such account holder in accordance with that account holder's corporate bylaws and board resolutions. Each representation and warranty contained herein will be continuing and will be deemed to be repeated upon your use of the Services and our effecting each transfer and commingling of funds.

## **S. YOUR USE OF SERVICES**

You may use the Services only in connection with your business accounts with us. Personal accounts are not eligible for the Services. We also retain the right to restrict certain Services to business account types that we determine to be eligible from time to time.

You agree that you will not (and you will have appropriate procedures and monitoring in place to assure that your employees and agents do not) use our Services for any purpose that is unlawful, abusive, harassing, libelous, defamatory, obscene, threatening or damaging in any way. You will use the Service only for your own use in accordance with the terms of this Agreement and the Terms and Conditions and not the use of any other person. Services provided by us are for the sole and exclusive benefit of you and no other persons or organizations shall have any of the rights and remedies which arise under this Agreement.

## **T. LIABILITY; DUTY TO CORRECT; LIMITATIONS OF LIABILITY; STATUTE OF LIMITATIONS; DISPUTE RESOLUTION**

Our responsibilities hereunder are strictly limited to following your service instructions.

### **1. Duty to Correct**

If we make an error, upon written notice of the error, we will, to the extent reasonably possible, correct the errors promptly. Thus, it is your responsibility to notify us promptly of any such error.

### **2. Limitations of Liability**

Except as otherwise stated in this Agreement, we will be liable to you only for damages arising directly from our intentional misconduct or gross negligence in the performance of the Services. We will not be responsible for any loss, delay, cost or liability to the extent that it arises, directly or indirectly, in whole or in part, from: (a) your actions or omissions, or those of third parties which are not within our immediate and reasonable control (including, but not limited to, any Internal Security Breaches or the interception, corruption and/or modification of instructions that you send to us); (b) your negligence or breach of any agreement with us; (c) any ambiguity, inaccuracy or omission in any instruction or information provided to us; (d) any error, failure or delay in the transmission or delivery of data, records or items due to a transmission error or a breakdown in any computer or communications facility; (e) accidents, strikes, labor disputes, civil unrest, fire, flood, water damage (e.g., from fire suppression systems), or acts of God; (f) circumstances beyond our reasonable control including delays by third parties; (g) the application of any government or funds-transfer system rule, guideline, policy or regulation; (h) the lack of available funds in your account to complete a transaction; (i) our inability to confirm to our satisfaction the authority of any person to act on your behalf; or (j) your failure to follow any applicable software manufacturer's recommendations or our Service instructions. Our performance of our obligations will be extended to include the period of time that our (or our third party processor, if any) was delayed or prevented from performing their obligations under the Terms and Conditions by reason of any of the above causes. There may be other exceptions to our liability, as stated in your account or other Service agreements with us.

We will not be responsible under any circumstances for special, indirect, or consequential damages which you incur as a result of our actions or omissions, even if we are aware of the possibility for such damages. Our liability and your remedy for actual costs and losses resulting from our failure to transmit funds in the correct amount or to the correct beneficiary designated by you and/or listed in your funds transfer Orders shall not exceed the direct money damages based on the amount of the transfer only that you incur as a result of the failure (e.g., the amount of a wire transfer that is sent to the wrong party, or the amount by which a transfer

exceeds the amount you authorized, plus interest as permitted by law). In all other cases, our liability and your remedy for actual costs and losses resulting from our actions and/or omissions, whether the claim is in contract or tort, will not exceed the lesser of (i) six times the average monthly charge for the Service(s) in question for the three months immediately preceding the cost or loss, or (ii) \$25,000. You will be solely liable for any fees, penalties, or taxes in connection with your transactions using the services.

You agree to cooperate with us in any loss recovery efforts we undertake to reduce any loss or liability that arises in connection with your Services. You acknowledge that our Service fees have been established in contemplation of: (a) these limitations on our liability; (b) your agreement to review statements, confirmations, and notices promptly and to notify us immediately of any discrepancies or problems; (c) your agreement to assist us in any loss recovery effort; and (d) the application of the alternative dispute resolution provisions set forth in the Terms and Conditions.

### **3. Statute of Limitations**

Any claim, action or proceeding to enforce the terms of this Agreement or to recover for any Services-related loss must be commenced within one year from the date that the event giving rise to the claim, action or proceeding first occurs.

### **4. Dispute Resolution**

(a) **Arbitration.** Except as otherwise provided in this Agreement, if a dispute arises between us with respect to this agreement, its enforcement or our Services, either of us may require that it be settled by binding arbitration, administered by the American Arbitration Association (AAA), in accordance with Title 9 of the United States Code (Federal Arbitration Act) and the Consumer and Commercial Arbitration Rules of the AAA. If litigation is commenced by either party, demand for arbitration must be made within 60 days of service of the complaint on the party demanding arbitration. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. By agreeing to arbitration, you are waiving your right to jury trial.

For matters that are not subject to arbitration, and in the event the right to require arbitration is held unenforceable for any reason or if the matter is litigated in court for any other reason, you and we agree to waive our respective rights to a trial before a jury in connection with any dispute related to this Agreement or the services covered by it, if such waiver is allowed by law.

**Waive Jury.** You understand and agree that you are waiving your right to a jury trial or a trial before a judge in a public court. You also understand that the award of the arbitrator(s) may be subject only to limited review by a superior court. These aspects of arbitration apply to us as well as to you.

(b) **Judicial Reference.** If judicial reference is available, this provision rather than the above arbitration provision shall apply in the event of a dispute related to your use of Services. If a dispute arises between us with respect to this agreement, its enforcement or our Services, either of us may require that it be resolved by judicial reference in accordance with California Code of Civil Procedure, Sections 638, et seq. (Or comparable provisions in the jurisdiction your account is maintained). The referee shall be a retired judge, mutually selected by the parties or, if we cannot agree on the referee, any party may seek to have the referee appointed by the court. The referee shall have the power to grant provisional relief and hear all pre-trial and post-trial matters, including requests for equitable relief; prepare an award with written findings of fact and conclusions of law; and apportion costs as appropriate. The proceeding before the referee shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The referee shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. Judgment upon the award shall be entered in the court in which such proceeding was commenced and all parties shall have full rights of appeal.

Exceptions – This dispute section will not be deemed to limit or constrain our right to set-off, to obtain provisional or ancillary remedies, to interplead funds in the event of a dispute, to exercise any security interest or lien we may hold in property, or to comply with legal process involving your accounts or other property.

## **U. NON-ENCRYPTED TRANSMISSIONS VIA COMPUTER**

You acknowledge that some computer data transmissions or other communications between the parties may not be encrypted and you assume the risk of interception of unencrypted data transmitted between you and us or between us and any third party that represents you.

## **V. NOTICE OF CLAIM**

### **1. Reporting Period**

- (a) **Thirty-Day Reporting Period.** You agree to review, regularly and promptly, all reports, US statements, Payment Order instructions, adjustments, charges, entries and other transactions. You will immediately or, in any event, thirty (30) calendar days following the date that we first mail or otherwise make available to you notification of the transaction (“Notice Period”), notify us of any error or discrepancy between your records and any notice or statement from us, or any transaction or transfer you believe was not authorized. You agree to notify us immediately of any claim you have or any claim that is made to you by a third party, that any of our acts or omissions in connection with any Service has caused you or the third party damage.
- (b) **Reporting Periods of Less than Thirty Days -** In some cases, you are obligated to notify us of unauthorized activity or discrepancies within a shorter time frame, such as errors in ACH or wire transactions as soon as possible, and not later than 24 hours after first discovering the unauthorized transaction or error. See above for ACH Services.

In case of errors, claims or questions about any of your transactions using our Services, you should notify us as soon as possible and in no event later than the negotiating periods stated in (a) and (b), above, via one of the following:

- Telephone us at (888) 761-3967 during our service hours;
- Email us at [EWBB@eastwestbank.com](mailto:EWBB@eastwestbank.com) .

### **2. Failure to Notify**

- (i) If you fail to notify us of discovery within the Notice Period, in the event of an erroneous Payment Order, you will be liable for all losses (including any loss of interest) up to the amount of the Payment Order, which result from your failure to give us notice or which might have been prevented by giving us notice and, in the event of an unauthorized Payment Order, we will not be liable for any loss of interest which results from your failure to give us notice or which might have been prevented by giving such notice.
- (ii) Unless otherwise provided in the Terms and Conditions, if you fail to notify us of any error or discrepancy within thirty (30) calendar days following the day we first mail or otherwise makes available to you a notice, including notice via electronic format which may be available via the Internet, you are precluded from asserting and waive the discrepancy against us.

## **W. RECORDING AND USE OF COMMUNICATIONS**

You agree that all communications or data transmissions between you and us may be monitored and/or electronically recorded and retained by us.

## **X. OUR AGENTS**

In the event that any Service(s) are dependent on our ability to obtain or provide access to third party networks and distribution systems, you and we agree that if the network or system is unavailable or in the event we determine, in our discretion, that we are unable to continue providing third party network or system access, we may discontinue the related Service(s) or may provide the Service(s) through an alternate third party network or system. In any event, we have no liability for the unavailability of the third party network or system.

## **Y. PRIVACY**

You agree to comply with all privacy and data-security laws applicable to your activities in connection with handling of personal financial information with respect to your employees or other consumers with respect to whom any Services may be offered. Without limiting the foregoing, you acknowledge that the Gramm-Leach Bliley Act (“GLBA”) governs disclosures of “nonpublic personal information,” as such term is defined in Title V of the GLBA and any state statutes adopted to comply therewith, the FTC Regulations promulgated pursuant thereto (including 16 CFR Part 313, 16 CFR Part 314, 12 CFR Part 332 and 12 CFR Part 364), and any state regulations promulgated under such state statutes or in compliance with the GLBA (collectively, the “Privacy Act and Regulations”), about consumers. You agree to comply with the Privacy Act and Regulations to the extent applicable and with all applicable law relating to consumer information. To the extent to maintain any personal financial information of consumer, you agree to adopt and maintain a comprehensive privacy policy and information security policy with respect to the handling of personal information of individuals. You agree to comply with your privacy policy and information security policy.

### **1. Your Privacy Obligations**

You agree that with respect to nonpublic personal information, you will:

- (i) Comply with the terms and provisions of the Privacy Act and Regulations, including the provisions regarding the sharing of nonpublic personal information;
- (ii) Not disclose to any third party without prior consent or use any nonpublic personal information that you obtain from us except to carry out the purposes for which we provided such nonpublic personal Information;
- (iii) Comply with all applicable information security standards established by requirements of applicable law; and
- (iv) In the event of a security breach or any other violation relating to any personal information under your control or the control of a third party service provider with which such party has contracted, you will pay any out-of-pocket expenses incurred by us if we are involved in responding to the security breach, including paying the cost of notifying individuals that information about them was subject to a security breach.

## **Z. PROPER INSTRUCTIONS**

### **1. Duty to Act**

Except as expressly provided in the Terms and Conditions, we will act for your account only pursuant to Proper Instructions provided to us and we will have no duty to act in the absence thereof. As used herein, “Proper Instructions” means your instructions or those of your authorized agent or attorney-in-fact designated by you on a form reasonably acceptable to us and in accordance with the security procedures established by you and us in accordance with the Terms and Conditions, given orally either in person or by telephone, or by facsimile transmission or by electronic mail or any electronic service that provides access to our Services, setting forth in reasonable detail the specific transaction(s) involved and subject to such authentication procedures, if any, as we may determine. Any Proper Instructions given by you to us will not be effective until it is actually received by us and we have had a reasonable opportunity to act upon such instructions. You agree that we may act upon and will incur no liability in acting upon any such instructions as reasonably understood by us, provided such instructions reasonably appear to be genuine to us. You agree that you are responsible for and we may rely upon the accuracy and authenticity of all data and other information furnished to you by your employees and agents. You acknowledge that we reserve the right to decline to accept any Proper Instructions or to execute any transaction(s) for your account in our sole discretion. We will in no event have any responsibility to accept Proper Instructions or to otherwise act with respect to your account unless indemnified to our satisfaction. Nothing in this provision, however obligates us to honor, either in whole or in part, any transaction or instruction that (a) is not in accordance with any condition agreed upon between the parties either in the Terms and Conditions or in any other agreement between the parties; (b) we have reason to believe may not be authorized by you; (c) exceeds any transaction limit, Funding Limit, or daily limits imposed by us on you transactions; (d) exceeds your collected and Available Funds on deposit with us; (e) involves funds that are subject to a hold, dispute or legal process which prevents their withdrawal; (f) violates any provision of any applicable risk control program of the Federal Reserve Bank or any rule or regulation of any federal or state regulatory authority; or (g) for the protection of either one of the parties, we have reasonable cause not to honor. You may give us instructions by telephone and we are authorized, at our discretion, to rely upon any telephone instructions which purport to come from you, without liability to us for verification.

### **2. Unauthorized instructions**

You agree that we are not obligated to follow any instructions purported to be from you or any person representing you or any other person unless such instructions are provided to us in accordance with the Agreement and any security procedures or other operational procedures we may put in place from time to time. You also agree that we are not obligated to provide any notices regarding transactions for you to any person other than the authorized representative designated by you to receive such notices in accordance with this Agreement and our procedures in place from time to time.

## **AA. PROPRIETARY INFORMATION**

You acknowledge that all User Materials, technology, any Software, Licensed Software, design or systems (“Confidential Information”) used in providing the Services and all information relating thereto, and pricing thereof, either are our proprietary properties or properties which we are authorized to sublicense and have great commercial value. You acknowledge that you acquire no property or proprietary rights in the User Materials, Software system, or Licensed Software as a result of your use of the Services. You agree to protect the confidentiality of these materials. You agree that you will not distribute, alter, recompile, disassemble, reverse engineer or make, publish or distribute any derivative work from the Software system or Licensed Software, nor will you obscure, alter or remove

any copyright, trademark, service mark, patent notice or other proprietary notice that is placed on User Materials, Software or Licensed Software. With regard to any User Materials or Software that we provide to you, you agree to destroy, delete or return to us such User Materials, Software or Licensed Software to us upon our request or upon termination of the Service.

## **BB. WARRANTY ACKNOWLEDGEMENT**

THE BANK MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER. All services are provided “as is”. You acknowledge that there are no warranties, express or implied, as to the value, condition, design or functioning of any service, the use, merchantability, fitness for any purpose, including the implied warranties of fitness for a particular purpose, of any system, software, licensed software or other rights transferred herein, freedom from infringement or any other representation or warranty whatsoever with respect to the system, licensed software or other rights transferred herein. In this regard, you acknowledge that we will not be liable to you for an incidental, indirect, special or consequential damages, liability, loss or damage caused or alleged to have been caused by the use or inability to use the system, licensed software or other rights transferred herein.

## **IV. OTHER PROVISIONS**

### **A. AMENDMENTS/ ADDENDUMS**

We may amend, add, or delete any Service or provision of this Agreement at any time. We may add Services by Addendum from time to time which shall be a part of and subject to this Agreement. Generally, any additions, deletions, addenda, or other amendments will be posted on the Bank’s Website, [www.eastwestbank.com](http://www.eastwestbank.com). To the extent and in the manner and timeframes required by law, we will notify you in advance of any changes that affect your rights and obligations. (See Notices section below). You indicate your acceptance of any change we make by continuing to use a Service after the change becomes effective.

### **B. BINDING EFFECT; SUCCESSORS AND ASSIGNS**

The provisions of the Terms and Conditions will be binding upon and inure to the benefit of the parties hereto and their respective successors, administrators, liquidators, receivers, trustees, assignees, custodians, conservators or other similar officials. You may not assign your rights or delegate your duties under the Terms and Conditions without our consent, and any purported assignment in violation of this provision will be null and void. With prior notice to you, we may assign or transfer any or all of our rights and obligations under the Terms and Conditions and your accounts to any other direct or indirect wholly owned subsidiary of us or any other person which acquires all or substantially all of the custodial business of us.

### **C. COMPLIANCE WITH APPLICABLE LAW**

You agree to conduct your business and operations in accordance with all applicable laws, rules and regulations, and you agree to be bound by, and to comply with, the ACH Requirements and Wire Transfer Requirements, as defined in Section II.

### **D. ENTIRE AGREEMENT**

The Terms and Conditions, as defined in the first paragraph of this Agreement, constitute the entire and complete understanding between and among the parties with respect to the Services, and no representations or agreements, expressed or implied, of any kind or character whatsoever have been made except as is expressly set forth in the Terms and Conditions.

### **E. GOVERNING LAW AND ENFORCEMENT; ATTORNEYS FEES; SUBMISSION TO JURISDICTION**

Except as otherwise provided, the terms and conditions and their enforcement will be governed by the laws of the State of California (without regard to any principles of conflicts of law). In the event of any action by us to enforce the Terms and Conditions, you agree to pay the costs thereto, including reasonable attorneys’ fees and court costs. You hereby submit to the nonexclusive jurisdiction of the United States District Court for either the Central District of California or the Northern District of California and of the California Superior Court sitting in either the County of Los Angeles or the County of San Francisco for purposes of all legal proceedings arising out of or relating to the Terms and Conditions or the transactions contemplated hereby. You irrevocably waive, to the fullest extent permitted by law, any objection which you may now or hereafter have to the laying of the venue of any such proceeding brought in such court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum, and you agree that a final judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the

judgment or in any other manner permitted by law. Each party hereby waives any claim that it may now or hereafter have immunity from service of process, suit, attachment of its property, assets or revenues, immunity from arbitration or enforcement of judgment against it (whether based on sovereignty or otherwise).

## **F. REGULATORY ACCESS AND AUDIT**

You will provide access to your records, premises and site for purposes of an audit and/or inspection as we or applicable state or federal regulators deem necessary upon reasonable notice to you.

## **G. NO ADVERTISING**

Neither party will use the name of the other in any marketing or advertisement without the prior written consent of the other.

## **H. NO IMPLIED WAIVERS; REMEDIES NOT EXCLUSIVE**

No failure by us to exercise, and no delay in exercising and no course of dealing with respect to, any right or remedy under the Terms and Conditions will operate as a waiver thereof; nor will any single or partial exercise by us of any right or remedy under the Terms and Conditions preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies specified in the Terms and Conditions are cumulative and are not exclusive of any other rights or remedies provided by law. No course of dealing and no delay or failure of ours, our parent, affiliates, subsidiaries, agents, successors in interest or assigns in exercising any right, power or privilege under the Terms and Conditions or any other agreement in connection with these Services will affect any other or future exercise thereof or exercise of any other right, power or privilege; nor will any single or partial exercise of any such right, power or privilege preclude any further exercise thereof or of any other right, power or privilege. Our rights and remedies, and those of our parent, affiliates, subsidiaries, agents, successors in interest or assigns under the Terms and Conditions or any other documents or instruments pursuant to or in connection with the Services are cumulative and not exclusive of any rights or remedies which any such party would otherwise have.

## **I. NO JOINT VENTURE/PARTNERSHIP**

This Agreement shall not constitute or be deemed to constitute a partnership or joint venture between the parties. No employee, partner or joint venturer of either party shall be deemed to be an employee, partner or joint venturer of the other party for any purpose whatsoever. Neither party shall have the authority to make any agreement or commitment or incur any liability on behalf of the other, and neither party shall be liable for any acts, omissions, agreements, promises or representations made by the other party, except as otherwise specifically provided herein.

## **J. NOTICES**

We are entitled to rely on any written notice or other written communication, including facsimile, electronic mail (i.e., email) or other messages delivered in electronic medium if we believe in good faith that the communication is genuine and has been signed or otherwise authenticated by a person designated by you as an authorized representative. Any person designated by an authorized representative in the corporate or company resolutions, signature cards or statement of designated authorized signatories on any of your deposit accounts with us is deemed by us to be an authorized representative for all purposes of your deposit accounts. You may add or delete your designated authorized representatives in accordance with our established procedures for changing authorized representatives. You agree that we may require notices regarding specific Services to be given to us at a location and in a manner we so provide to you. For example, any notice to us with respect to ACH transactions must be given to the contact person we designate to you from time to time for your ACH transactions. You cannot give effective notice to any other personnel of the Bank or to any contact person designated for your other account purposes or in the manner provided below for general notices.

### **1. Company Notice to Bank**

Except as otherwise provided to you, all notices to us regarding Global Transaction Services will be sent to the Bank at:

GTS Customer Service  
9300 Flair Drive, Suite 100  
El Monte, CA 91731

The Bank may change its address for notification purposes by sending a notice to you in accordance with this section. You may also be able to notify us through a Service, by email at [EWBB@eastwestbank.com](mailto:EWBB@eastwestbank.com) or by calling us at (888) 761-3967 during regular business hours. Notice by you to us will not be deemed received, unless confirmed by us in writing and shall be deemed effective at such time as we have a reasonable opportunity to act upon such notice.



## **2. Bank Notice to Company**

Except as otherwise specifically provided, all notices and other communications required or permitted hereunder (other than those involving normal operational matters relating the Service) shall be in writing and shall be sent to your address and/or email address currently on file with the Bank. You will be deemed to have received such notice (i) if sent by mail no later than three (3) Business Days after such notice was sent by Bank, (ii) if sent by e-mail, when the email was sent, and (iii) if sent by facsimile machine, when the confirmation copy is actually received.

We may also provide you notice in accordance with the Deposit Agreement or other notice provided in your Service forms. You may change your address in accordance with Address Change procedures defined in the Deposit Agreement, as updated from time to time. Unless otherwise required by law, any notice or written communication given by you pursuant to this agreement may be sent to you electronically.

## **K. RESPONDING TO LEGAL PROCESS OR INVESTIGATIONS**

If we receive a request for information regarding account activity or transactions from a third party with a legal right to request such information (such as a Federal Reserve Bank or ACH Operator, a state or federal banking regulator with jurisdiction over our operations, law enforcement officials with apparent legal authority to request or require such information or private parties with apparent authority to require disclosure of such information under legal process), you agree to reimburse us for any costs associated with responding to such request, including the costs of production of such information (including research, copying and shipping, costs of appearing at depositions or interviews, costs of correspondence, and costs of court filings appearances in the event we believe it is prudent to make such filings or appearances to protect your rights (or, in the case of Third-Party Senders of ACH Entries, the rights of your Originators). We may request your assistance with or participation in such response, and if we do so, you agree to assist us and cooperate with us as reasonably requested. You acknowledge that we may not be able to provide Services if we are served with a levy, attachment, restraining order, bankruptcy order, legal process, or other order or declaration that restricts withdrawals from your account.

## **L. SECURITY INTEREST**

To secure your obligations under this Agreement, and your obligation to maintain sufficient funds for the Services, you grant to Bank a security interest in all funds on deposit in all your accounts with us. You also agree that we may set off against any amounts you may have on deposit with us to satisfy any obligation you may have to us arising under this Agreement.

## **M. SYSTEM AVAILABILITY/CAPABILITY**

In order to utilize Services, you must have computer system capabilities that allow you to access the Services' web site interfaces. It is understood by you that the availability of any of the services to be provided as described in this Agreement is at all times conditioned upon the corresponding operation and availability of those computer services and systems used in communicating your instructions and requests to us and our response. We shall not be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by you in the event of any failure or interruption of such services or any part thereof, resulting from the act or omission of any third party, or from any other cause not reasonably within our control. We are not responsible for any electronic virus or viruses that you may encounter. We suggest that you routinely scan your PC using a virus protection product.

## **N. TERMINATION**

You may terminate this Agreement upon thirty (30) days written notification to Bank. We reserve the right to terminate this Agreement immediately, with or without cause, upon providing notice to you. Any termination of this Agreement shall not affect any of your obligations arising prior to such termination, including but not limited to any indemnification obligation that relates to action or inaction taken prior to termination. You or we may also, terminate, cancel, or suspend any Service upon notice to the other party. (See Notice Section above). Any payment(s) the Service has already processed before the requested cancellation date will be completed by the Service. All Scheduled Payments including recurring payments will not be processed once the Service is cancelled. The Service may terminate or suspend Service to you at any time. Neither termination nor suspension will affect your liability or obligations under this Agreement.

## **O. THIRD PARTY INFORMATION**

If you gain, through your use of one or more Services, access to any information relating to any person other than us, you or any of your Subsidiaries which have authorized your receipt of such information, you agree that you will treat such third-party information as strictly confidential and you shall not disclose it to any person outside your company or to any persons within your company except those who have a need to know. Further, you shall ensure that adequate

measures have been taken to prevent the unauthorized use of any such third-party information. You agree that you will not use any such third-party information for your own purposes other than in a communication to us relating to the Service.

## **P. VERBAL INSTRUCTIONS**

For certain Services, we may at our discretion choose to honor your request to give us verbal instructions. You agree that we may in good faith rely on such verbal instructions that purport to come from your authorized Agent without independent verification by Bank.

## **Q. VALIDITY**

If any provision herein, or part thereof, is held to be invalid, illegal or unenforceable, the remainder of this Agreement, or other parts or applications of such provisions shall not be affected thereby.

## **R. ASSIGNMENT**

No assignment of this Agreement or any Service may be made by you without our prior written consent.

## **V. TERMS AND CONDITIONS FOR ADDITIONAL SPECIFIC SERVICES**

The attached Addenda set forth the terms and conditions for the following additional Services, incorporated herein by reference.

- A. Addendum 1 – Automated Sweep Service
- B. Addendum 2 – Lockbox Service
- C. Addendum 3 – Image Cash Letter (ICL) Service
- D. Addendum 4 – Controlled Disbursement Service
- E. Addendum 5 – Correspondent Banking – 3<sup>rd</sup> Party Depository Services
- F. Addendum 6 – CheckBridge-Check Issuance Service
- G. Addendum 7 – InvestmentBridge Service
- H. Addendum 8 – TaxBridge Service
- I. Addendum 9 – Biller Direct Service
- J. Addendum 10 – Electronic Data Interchange (EDI)
- K. Addendum 11 – Inclearing Report Service
- L. Addendum 12 – Integrated Payables
- M. Addendum 13 – Ancillary Services

### **ADDENDUM 1 - AUTOMATED SWEEP SERVICES**

#### **1. Description of Service**

This Service allows you to specify a hierarchy of linked deposit accounts and/or loan accounts that sweep designated funds to and/or from each other based on your instructions.

#### **2. Balance Account Sweep Services (BAS) Designations**

For BAS Services, you must designate the Parent Account(s) and Subsidiary Account(s), the minimum and maximum Sweep Balances for those accounts, and the hierarchical relationship between them on the Sweep Service Form. The Balance Account and any deposit account that is the Parent Account or Subsidiary Account must be a checking account (excluding accounts with restrictions) or a Loan Account. You authorize us to debit the Parent Account (or any other accounts maintained by you with us) for any fees or other amounts due us in connection with the Sweep Services. If the Parent Account is closed for any reason, Customer's Sweep transactions will not be processed and the Balance Account Sweep Services may be stopped. To reinstate the BAS Service, you must designate a new Parent Account.

**Other Sweep Services** You may designate Sweep Services for accounts which are not based on the Sweep Balance, by designating the accounts and Sweep Services on the Sweep Services Form.

**Limited Use** You agree not to (i) make the BAS Service available or allow use of the BAS Service in a computer bureau service business, or on a timesharing basis, or (ii) otherwise disclose or allow use of the BAS Sweep Service by or for the benefit of any third party.

**Types of Accounts** Checking Accounts can be used by the Sweep Services, and Customer can specify that the Sweep will occur either one-way (to or from) or both ways (to and from) any Account in the hierarchy. Loan Accounts may also be used. Multiple tiers of Accounts can be accommodated.

**Sweep Processing** A sweep only occurs at night by posting after all other transactions have posted. The amount of the Sweep will be determined after all credits and debits have posted at the end of the nightly processing cycle. Any debits to the Receiving Accounts that reduce the balance in these Accounts to a sum less than the Sweep Balance will be swept from the Parent Account to the Balance Account. Any credits to the Balance Account that increase the balance above the Sweep Balance in these Accounts will be swept to the Parent Account. You may draw checks or other debits, and post credits against any Account in the hierarchy.

**Amendments or Cancellations** Customer will not be able to amend or cancel a Sweep transaction that is already set to occur unless they submit in writing a Communication to the Bank prior to the Business Day that the change is to occur. Bank may, in its sole and absolute discretion, use commercially reasonable efforts to act on the Customer's Communication as of the date requested. Furthermore, Customer will indemnify and hold Bank harmless from any and all liabilities, costs, and expenses Bank may incur in its efforts to complete such Communications.

### 3. Loan Sweep Services

You may designate one or more Loan Sweeps by designating the Loan Account(s) on the Sweep Services Form as part of Customer's Account hierarchy, for the BAS Services or other Sweep Services between Accounts.

**Loan Sweeps to Deposit Account.** You request and authorize us without any further request or authorization from you, to make advances under the Loan in increments in the amount specified in the Sweep Service Form, for deposits into a Balance Account if the funds in the Account are less than the Sweep Balance, or other amount designated on the form for Sweep Services. However, you acknowledge and agree that we are not required to make the Loan Sweep(s) if (1) all conditions of the Loan are not satisfied or (2) at Bank's discretion upon prior written notice. However, you acknowledge and agree that we may make the decision to make such Sweeps at our discretion at any time, and you will be obligated for the funds advanced from the Loan Account for Sweep Services.

**Loan Sweeps to Loan Account.** You request and authorize us, without any further request or authorization from you, to Sweep from Account(s) to the Loan Account either the amount in the Balance Account in excess of the Sweep Balance or from other Accounts, both in amounts as designated in the Sweep Service Form, which amounts will be calculated as specified in the Sweep Service Form at the end of any Business Day and apply such amounts to the Loan Account indebtedness.

**Security Interest in Accounts.** You grant and assign us a security interest in each of the Accounts designated as an Account on the Sweep Service Form together with interest accruing, all proceeds and deposits to the Account(s), and all renewals, replacements and substitutions of any of such Account(s). Thus, you agree and acknowledge that Sweeps from an Account will not be deemed to be a violation of the one-action rule and that such withdrawal Sweeps shall not be deemed to be a waiver of any defaults that might exist under the Loan.

**Bank Control Account.** This Agreement includes but is not limited to all Sweeps made by us from a Control Account set up by us as Lender including but not limited to the Asset Based Lending or other lending department of Bank, between you and us ("Bank Control Account"), and as such Bank Control Accounts, are included, on the Sweep Service Form, and in that case, also subject to the Bank Control Account Authorization Addendum hereto.

### 4. Definitions

- **Balance Account** means an Account that is set up to automatically sweep funds to or from the Account based on a Sweep Balance for that Account.
- **Balance Account Sweep Services** means Sweep Services to or from a Balance Account and is sometimes referred to as BAS Services.
- **Deficit Sweep** means any sweep of funds based on the amount in a Balance Account less than the Sweep Balance.
- **Excess Sweep** means any sweep of funds based on the amount in a Balance Account in excess of the Sweep Balance.
- **Loan Account** is a loan in the name of Customer with Bank that is set up for Sweep Services.
- **Loan Sweep** means any sweep of funds to or from a Loan Account.
- **Parent Account** means an Account that sweeps funds automatically to a Balance Account based on the Sweep Balance in the Balance Account.
- **Receiving Account** means any Account that receives funds from another Account in Customer's Account hierarchy.
- **Sending Account** means any Account that sweeps funds to another Account in Customer's Account hierarchy.

- **Subsidiary Account** means an Account to which funds are swept automatically from a Balance Account based on the Sweep Balance in the Balance Account.
- **Sweep** means the movement of the funds between the Accounts that are part of the Sweep Services.
- **Sweep Balance** means a balance threshold set by Customer for a Balance Account such that funds in an amount less or more than the balance threshold automatically sweep to or from the Balance Account.

## **ADDENDUM 2 - LOCKBOX SERVICE**

### **1. Description**

With this service, you direct your customers (“Customers”) to send remittances to a selected U.S. Post Office box (“P.O. Box”). You authorize us to collect the mail addressed to you at the P.O. Box and arrange for the physical transportation of checks from the P.O. Box to our lockbox processing center, to transport such checks from such processing center to the appropriate check clearing location if necessary. We will open mail and process remittances according to your instructions set forth in the Lockbox Set-up Form.

We will maintain records of all checks processed by our lockbox processing center in accordance with its current procedures. We will attempt to forward to you any check that cannot be processed according to your instructions. The parties agree, however, that we will not be liable for any loss in the event that any such check is processed by us. In the event any check is returned to us by the financial institution the check is drawn on with a request for your endorsement, we are authorized to endorse the check as follows:

CREDIT TO THE ACCOUNT OF THE WITHIN NAMED PAYEE PAYMENT ACCEPTED WITHOUT PREJUDICE  
ABSENCE OF ENDORSEMENT GUARANTEED

Or, we and/or the local clearing financial institution is authorized to endorse such check in accordance with their then current procedures. We will credit the check to your account. We will provide same day notification of all return items and adjustments that will be posted to your account that day via our Lockbox Information Reporting System.

### **2. Automated Services**

The following will apply when the Service is provided with the use of Automated Lockbox: (i) We will, on each day, capture data according to the instructions set forth in the Set-up Form, and in a format mutually agreed to by us and you. (ii) We will transmit remittance data to each customer in a mutually agreeable format on a daily basis. (iii) In the event a transmission cannot be received or we are unable to make a transmission, all processed remittance data will be held at the Bank until the problem has been rectified or until the parties have agreed upon another arrangement.

### **3. Acceptable Payees**

Unless otherwise agreed, you will provide us with the names of acceptable payees. We will process a check if it is made payable to an acceptable payee and if the check is otherwise valid. You warrant that each payee has authorized checks payable to it to be credited to the account you designate for the Service. We may treat any variation of an acceptable payee’s name as an acceptable payee that we deem to be reasonable.

### **4. Exception Decisioning**

This optional online service delivers images of exception transactions. Rejects or exception transactions are those that are missing information, including, but not limited to, an invoice, account, or some other identifying number for the remitter or payment. You have the option to provide us with the missing information or reject the transaction. Rejected transactions will be returned to the location indicated on your Set-Up Form.

We will not begin providing this service until after we receive your first mail in the Lockbox. Any transaction identified as a reject for non-negotiability reasons will be excluded from Exception Decisioning. You must provide us with your accept or reject decision by our established deadline on the same day we report exception items to you. We are entitled to conclusively rely on the instructions we receive to accept or reject transactions. If you fail to notify us by the deadline, we will handle those items according to the default procedures in effect for you.

### **5. Parties**

You and we will be the only parties to this Agreement, and your contractual relationship under this Agreement will be with us only. While a Bank third party provider shall not be a party to this Agreement, the parties hereto intend that such Bank third party provider shall be a third-party beneficiary of this Agreement. However, you shall not be, nor have any rights as, a third-party beneficiary of the Bank’s agreement with the third party, and you shall not, as a result of that Bank agreement, acquire any rights or privileges you would not otherwise have in the absence of the Bank agreement.

## ADDENDUM 3 - IMAGE CASH LETTER (“ICL”) SERVICE

### 1. Description of Service

This Service allows you to transmit electronic check image files (“ICL”) in an industry-standard file format to the Bank for clearing and posting of deposits to your deposit account with us. After we receive your electronic ICL Files, at our sole option, we use the file to either: (a) create substitute check(s) (“substitute checks,” “Image Replacement Documents” [“IRDs”] as defined in the Check 21 Act.), that we present to the bank on which the Paper Item is either: (i) drawn or (ii) payable at or through (each, “Paying Bank”); or (b) generate one or more electronic files (from the original ICL file) for presentment directly or indirectly to Paying Bank. Your transmission of an ICL File is subject to our verification and final inspection. We reserve the right at any time to refuse the file or to return all or part of the file to you without prior notice.

### 2. Conditions to Provision of the Service

As conditions to Bank providing the service, you shall: (a) maintain your account in good standing; (b) meet credit standards established by us and provide financial information as requested by us from time to time; and (c) comply with other guidelines and restrictions regarding the Service as we may communicate to you from time to time.

### 3. Customer Responsibilities

You may only transmit check images to us that are created from original checks and that are eligible for imaging. An eligible check is a negotiable check for any amount in U.S. Dollars drawn on or payable through a U.S. financial institution and has not been previously presented and paid. Re-cleared IRDs are not to be submitted through this method. The check image is created by you using scanning equipment, provided and/or approved by the bank, to scan the front and back of each original check. The term “check image” refers to the electronic image of the check and the accompanying MICR line data.

You are responsible for ensuring the check image is a legible representation of the original check, and accurately represents the information from the front and the back of the check. The check image you create must meet the accredited standards committee X9 Standards and Technical Guide Specifications for Electronic Exchange of Check and Image Data (ANSI X9.37), or other standards provided by us.

You are also responsible for ensuring the MICR line information from the original check is accurately scanned, entered or repaired for each check image. You recognize that a check image may not capture or include all security features contained in the original check, such as watermarks. You are responsible for any loss or failure to collect a check image that results from an inaccurate or illegible check image or your failure to provide full and correct MICR data or dollar amount for a check image.

You will transmit check images to us according to the transmission deadlines provided to you by us from time to time. You will retain the original check relating to a check image for a reasonable period of time not less than ninety (90) days to be determined by you. You are responsible for storage and destruction of the original check, of any copies of the original check or check image, all electronic data, being maintained in a secure and confidential manner, and in accordance with applicable law and commercially reasonable industry standards.

If you use a service provider to scan and transmit ICL Files to the Bank on your behalf, you agree to notify your service provider of the processing requirements of this Agreement and you hereby provide the guarantee to the Bank that your service provider also follows the same responsibilities and obligations as you do. You are responsible for all ICL Files transmitted by your service provider.

### 4. Suspension of Exchanging Files

Either we or you may request to suspend the exchanging of ICL Files with at least twenty-four (24) hours written notice to the other party if continued exchange of files is not or will not be commercially viable and therefore subject to suspension; such notice shall provide in reasonable detail the reasons that the exchange of files is commercially unviable.

Upon receipt of such notice and request, the other party shall consent if based on the request it can reasonably be expected that continued exchange of files would have material adverse impact on check processing. Any consent or objection to the suspension must be made in writing as promptly as possible.

Notwithstanding, the non-requesting party shall have until the end of the 24-hour period to propose a remedy to the stated problem, and the requesting party will give due consideration to the solution and consent or object to implementation of such solution, consent not to be unreasonably withheld. The parties agree to use commercial best efforts to resolve any problem and end any suspension of the exchange of image files as promptly as possible.

The parties shall process paper checks until image exchange is resumed in this section. The parties shall give 24 hour notice of the intention to resume image exchange processes, which period shall exclude weekends and holidays.

In addition to the foregoing, each party may terminate the Service as provided in the Termination section, below.

## 5. Check Image Responsibility

**You are responsible for the accuracy of the check image.** We are not under any obligation to inspect or verify a check image to determine accuracy, legibility or quality of the check image or MICR line information associated with the check image, or for any other purpose. We reserve the right, but are not obligated to, correct or amend MICR line information associated with a check image to facilitate processing of the check image or a substitute check created from that check image. We and other banks may process and collect a check image or a substitute check through one or more check clearinghouses, Federal Reserve Banks, or other private clearing agreements with another bank. The check images or substitute checks will be subject to the rules of that clearinghouse, Federal Reserve Bank, or private clearing bank agreement.

You agree that, notwithstanding its electronic form, a check image that is created from an original check, or a substitute check created from that check image, shall be a “check” and/or an “item” for all purposes under this Agreement, the UCC as adopted in the applicable state, the EFAA, Regulation CC, and any other federal or state check law, to the same extent as that original check is a “check” or an “item.”

## 6. Company Warranties

### a. Warranties for Check Image Processing

You represent and warrant to us each time you, directly or through your service provider, use the ICL Service that:

- The check image is an accurate representation of all information on the front and back of the original at the time the original check was converted to a check image, and the check image contains all endorsements from the original check;
- Each check image (and related ICL File) contains a record of all MICR line information required for a substitute check and otherwise satisfies all of the requirements of Check 21 and Regulation CC for the creation and/or transferring of a substitute check created from that check image;
- Each check’s format shall adhere to industry standards and may change from time to time. The current Image Quality Guideline is Black/White, Minimum 200 DPI TIFF G4.
- You will not submit any duplicate Check Images to us.
- For any Check Image transmitted by the service, the original check, a duplicate check image or any copy of the original check or check image will not be (a) deposited by you with us (unless we expressly instruct you to do so) or (b) presented, transferred, or returned such that we or any other person (such as the drawer of the check) will be asked to make payment based on a check or check image that we or the other person already paid;
- All the information provided to the bank is accurate.
- You will use the Service only for checks that are payable to or endorsed or eligible for deposit by you and that are not disqualified for any other reasons, including those described previously below as Exception Items.
- You will use the Service only for its intended purpose and your own business use in accordance with the terms of this and the Deposit Agreement.
- You will maintain control over and responsibility for any and all sensitive electronic data relating to consumer information, and shall be responsible for notification of any compromise of such data.

In addition, each time you transmit a ICL File to us, directly or indirectly through your service provider or otherwise, you are deemed to make to us any representation, warranty or indemnity that we make, under applicable law, clearinghouse rule, Federal Reserve Operating Circular, bi-lateral agreement or otherwise, to any bank (including a Federal Reserve Bank and the paying bank) or other person when the Bank transfers or presents the check image or any substitute check created from that check image. We may charge back to your account(s) any deposited check that is later returned to us owing to an actual or alleged breach of any such representation or warranty.

## 7. Testing Check Image Files

Both parties will mutually agree upon testing to be performed whenever software or hardware modifications or enhancements initiated by either party may affect the creation and processing files. Both parties will make their best effort not to impact the accuracy of the ICL File formats.

## 8. Responsibility for Multiple Deposits of the Same Item

You agree to implement commercially reasonable procedures to ensure that no check is deposited more than once via electronic, physical or other means, either with us or with any other financial institution, whether intentionally or

unintentionally, whether as a result of fraud for any other reason whatsoever. You agree that the aggregate amount of any checks which are deposited more than once will be debited from your Account, and to the extent funds in your Account are insufficient to cover such amount, any balance shall be debited by us from any of your other deposit accounts as determined by us in our sole discretion and/or paid by you to us. You agree to notify us immediately if duplicate checks are transmitted to us using the Service or if a duplicate deposit is made either to Bank or to any other financial institution. Company agrees to fully cooperate with us in identifying all duplicate checks. You further acknowledge that you, and not us, are responsible for the processing and handling of any original checks which are imaged and deposited utilizing the Services and you assume all liability to the drawer of any Item imaged using the Services or liability arising from our printing of any substitute check from those images.

## **9. Processing Company's Electronic File**

We shall separately disclose to you the transmission deadline (“cutoff time”) on any day which is a Business Day for processing checks by the Federal Reserve System or other clearing network for the payment of items. If you transmit your ICL Files to Bank on a Business Day before the cutoff time, we will review and, if appropriate, process your ICL Files on that Business Day. If you transmit your ICL Files to us after the cutoff time on any Business Day, we shall review and, if appropriate, may process your ICL Files on either the presentment date or on the following Banking Day.

An ICL File shall not be deemed received by us until we receive the ICL File at a licensed location of the Bank and is accepted by us. We are not responsible for any losses arising directly or indirectly from damage or alteration to the ICL File prior to its receipt by us. An ICL File must be received by us on a Business Day prior to the applicable processing cutoff hour or it will be deemed to have been received by us at the opening of our next Business Day.

## **10. Exception Items**

When we review and process your ICL Files, we may, but are not obligated to, reject any file that we, in our sole discretion, determine to be ineligible for the ICL Service (each, an “Exception Item”) including, without limitation, electronic images of checks drawn on banks located outside the United States, checks drawn on United States banks in foreign currency, electronic images that are illegible (due to poor image quality or otherwise), electronic images of checks previously processed, electronic images previously converted to substitute checks, and electronic images with unreadable MICR information. We will notify you of all Exception Items and related adjustments in writing. You agree that if you wish to attempt to deposit any Exception Item to any of your accounts with us, you will only do so by depositing the original paper item on which the Exception Item is based. You acknowledge and agree that even if we do not initially identify an electronic image as an Exception Item, the substitute check created by us may nevertheless be returned to us because, among other reasons, the electronic image is deemed illegible by Paying Bank. Our failure to identify an Exception Item will not preclude or limit the obligation of you to us.

## **ADDENDUM 4 – CONTROLLED DISBURSEMENT SERVICE**

### **1. Description of Service**

This service is offered by us in cooperation with BNY Mellon, which allows you to control the flow of checks paid against funds in your accounts on a daily basis.

### **2. Conditions for the Service**

You agree to apply for and submit all documents required by us to open a Controlled Disbursement Account for you with BNY Mellon for this Service and funding account (“Funding Account”) with us to be used in providing us with the funds necessary to cover all checks presented against the Controlled Disbursement Account. Each Banking Day we will receive information from BNY Mellon regarding presentments against the Controlled Disbursement Account and will transfer funds for that day’s presentments. If, for any reason, BNY Mellon does not provide Bank with presentment information, the total of all debits, net of adjustments and other charges (the “Total Clearings”), which are subsequently charged to the Controlled Disbursement Account for such day will be estimated. The Bank will then determine the collected balance in the Funding Account as of 8:00 a.m. Pacific time. If there is a sufficient positive collected balance to cover the day’s presentments against the Controlled Disbursement Account, we will instruct BNY Mellon to allow the checks to be paid. The Bank will then debit your Funding Account for that day’s presentments. If, however, the collected balance in your Funding Account is insufficient, we may instruct BNY Mellon to dishonor one or more such checks if you have exceeded your daily credit limit. In any case, BNY Mellon will follow our instructions regarding payment or dishonor of checks presented against the Controlled Disbursement Account and has no obligation to you or us to verify the propriety or correctness of such instructions. If BNY Mellon receives no such instructions, as provided for under the BNY Mellon Agreement with us, BNY Mellon may, in its absolute discretion, elect to dishonor one or more checks presented against the Controlled Disbursement Account that day.

For this service, "Banking Day" shall refer to any day upon which BNY Mellon's principal office in Boston, Massachusetts is open for substantially all of BNY Mellon's banking functions.

On the Banking Day preceding any day on which BNY Mellon will be open to conduct its regular banking business but we will be closed, we are authorized to debit your Funding Account in an amount equal to an estimate of the following day's Total Clearings and to transfer funds in that amount to BNY Mellon for credit to the Controlled Disbursement Account. Any discrepancies between the Total Clearings and the amount of items actually presented will be reconciled on the following Banking Day.

BNY Mellon is authorized, but not obligated, to honor any item drawn on the Controlled Disbursement Account even though the signature on the item does not correspond exactly with the specimen authorized signature furnished by you. You will comply with your obligations to review your statements and notify us of any errors or unauthorized items (See, Duty to Review Statements and Items, Section III (D), below. If you do not do so, the statements, canceled checks and other entries will be considered correct for all purposes and you will hold BNY Mellon and us, and their officers and employees, harmless from any and all liability whatsoever.

Should we or BNY Mellon receive any process, summons, order, injunction, execution, levy, lien, garnishment, or adverse claim notice either by a governmental authority or third party (hereinafter referred to as "Process"), which we or BNY Mellon reasonably believe will adversely affect the Funding Account or the Controlled Disbursement Account, we may, at our option and without liability, refuse to honor orders to pay or withdraw sums from any Controlled Disbursement Account and may either hold the Funding Account balance herein until such Process is disposed of to the satisfaction of the Bank or pay the required amount pursuant to the Process in accordance with applicable law.

### **3. Controlled Disbursement Account**

The Controlled Disbursement Account will be your account with BNY Mellon, and you shall, and hereby do, authorize us to act as your agent for all purposes, including but not limited to, opening and managing the Controlled Disbursement Account, and issuance of return or stop payment instructions. You expressly authorize us to obtain access, from time to time, to all records of the Controlled Disbursement Account. We have the exclusive right to manage the Controlled Disbursement Account.

You will not make, and BNY Mellon is not obligated to accept, deposits directly to the Controlled Disbursement Account. Furthermore, except as permitted when "Daily Match™ Service" is selected, you may not give or direct, and BNY Mellon is not obligated to receive, accept or act upon, any instructions, inquiries or communications of any kind directly to BNY Mellon with respect to the Controlled Disbursement Account. All such instructions, inquiries or communications must be directed to BNY Mellon through us as your agent. Therefore, while you have all the rights of the owner of the Controlled Disbursement Account, every communication to BNY Mellon other than that of writing checks on the Account, and in connection with "Daily Match™ Services", if applicable, shall be directed through us.

You authorize us and BNY Mellon to honor checks from the Controlled Disbursement Account bearing the signature or facsimile signature appearing on the BNY Mellon signature card and you waive any claim which you may have against us or BNY Mellon on account of it paying and charging to the Controlled Disbursement Account any such check when such signature or facsimile signature or a substantially similar copy of the facsimile signature is placed thereon.

You acknowledge that facsimile transmission is an inherently insecure communication method due to the possibility of error, delay and observation or receipt by unauthorized personnel. Should you elect to send or receive directions or information via facsimile in connection with the Service, you assume all risk of loss or disclosure resulting from such transmission.

### **4. Report of Incoming Debits**

We will maintain arrangements ("Arrangements"), in form and content satisfactory to us and BNY Mellon, whereby BNY Mellon shall, on each Banking Day and by a specified time of day, inform us through EnternetBank®, an information reporting system of BNY Mellon, of the Total Clearings to be posted to the Controlled Disbursement Account. BNY Mellon will make this information available to us no later than a time agreed upon by BNY Mellon and us, and this information will be made available to you no later than 7:00 a.m. Pacific time on each Banking Day such information is received by us provided that we are then open to conduct our regular banking business at our principal banking offices.

## **ADDENDUM 5 - CORRESPONDENT BANKING - 3rd PARTY DEPOSITORY SERVICES**

### **1. Credit for Deposits**

This Service, if offered by us upon our approval, allows you to make deposits directly into a Corresponding Bank Account at any office or processing facility of the Depository Bank arranged to accept such deposits. By this Service,



the Depository Bank can create electronic images (“Electronic Images”) of paper checks and drafts, and transmit an electronic file or image cash letters (“ICL”) of such Electronic Images and other information (collectively, the “Electronic File”) to the Bank for deposit to your Deposit account with us (“Customer’s Account”). Electronic Images shall be deemed received upon successful receipt of the transmission of such images that are complete, usable, and adhere to the data specifications provided by the Bank.

If the Electronic Images are not complete, are not useable, or do not adhere to such data specifications, the Images may not be processed by the Bank or its agents, in which event your deposit will be adjusted and notification will be provided. After we receive your Electronic File, the Bank, at its sole option, uses the Electronic File to either: (a) create substitute check(s) (“substitute checks”, “Image Replacement Documents”, “IRDs” as defined in the Check Clearing for the 21st Century Act.), that the Bank presents to the bank on which the Paper Item is either: (i) drawn or (ii) payable at or through (each, “Paying Bank”); or (b) generate one or more electronic files (from the original Electronic File) for presentment directly or indirectly to Paying Bank. The Bank in its sole discretion determines the manner of processing.

All such processing and presentment shall be done in accordance with time frames and deadlines established by the Bank from time to time.

The Bank reserves the right to defer credit for deposits, pending confirmation of the deposit directly from the Depository Bank, that are in an amount more than twice the average deposit amount of deposits during the prior thirty (30) days or for deposits that appear to Bank, its sole discretion, to be either inappropriate or not in the ordinary course of business. The Bank also reserves the right to defer credit for deposit if you are in default under any monetary obligation to the Bank, if you are the subject to a bankruptcy or receivership proceeding, or if the Bank has received a levy, attachment, writ of execution, restraining order, bankruptcy notice, or other item which might restrict withdrawals from accounts generally.

## **2. Return Items and Charges**

You will be responsible to reimburse the Bank for all return items or other items not accepted for deposit at the Depository Bank, including for any return item charges or other charges assessed by the Depository Bank. You authorize the Bank to debit your Account, or any other account of yours at the Bank, for such amounts. Items may be returned as Image Exchange Items, rather than Substitute Checks, as agreed by the parties. You assume full responsibility for all such charges and agree to pay invoices for amounts not debited directly from your Account at Bank within thirty (30) days of receipt. In the event that there is a discrepancy between amounts shown on your deposit slips sent to the Bank and the deposits made to the Depository Bank as reported by the Depository Bank, the Bank will promptly research the difference and determine in good faith if an adjustment to your Account is warranted.

## **3. Processing of Your Deposit**

If you make a deposit at the Depository Bank before our Cutoff time on a Banking Day, the Bank will review and, if appropriate, process the Electronic File on that Bank’s Day. If you make a deposit to the Depository Bank after the Cutoff Time on any Bank’s Day, the Bank may process your deposit on either the presentment date or on the following Banking Day.

Only original U.S. Dollar checks drawn on U.S. financial institution and only checks payable to you (your business) may be deposited to your account using this service.

The following checks are not permitted to be deposited to your account using this service: Checks drawn on a foreign bank or payable in foreign currency; Second or third party endorsed checks; Checks payable to an individual and/or payee other than you; Checks which are irregular in anyway (i.e., where the numerical and written amounts are different); Checks which are post-dated or dated more than 6 months prior; Demand drafts or remotely created checks (i.e., check lacking the original signature of the payer); Checks payable to “Cash.”

You agree that we and the Depository Bank may exchange and share information regarding you and your transactions and will require an annual review of your account between us and the Depository Bank.

## **ADDENDUM 6 - CHECKBRIDGE - CHECK ISSUANCE SERVICE**

### **1. Description of Service**

We offer the Check Issuance Service in cooperation with a third party vendor. This Service includes the following: (1) a single check design and stock will be created for your business upon electronic instructions from you; (2) the Service will process check payments and/or remittance for you upon receipt of your payment instructions sent to us by a selected transmission option; (3) your checks will be issued and mailed in accordance with your instructions; and, (4) necessary documentation will be included as applicable. Bank reserves the right to terminate Check Issuance Service at any time.

For purposes of this section only, we and the vendor are sometimes referred to collectively herein as “we.”

## **2. Instructions**

By the applicable Cutoff time on the check issuance day (“Issuance day”), you will provide us through your selected transmission method the check issuance required information including name and address of each payee, the amount of the check and other information we may request (“Issuance Data”) for each check to be issued that day or in the future. You are responsible to provide accurate information and all information as required by us in a timely manner. The specific instruction procedures (“Procedures”) will be provided to you by us.

## **3. Operation**

If Issuance Data is received prior to the applicable Cutoff time, we will create, issue and mail the checks the next day or in a future day in accordance with the instructions received. If the Issuance Data is received after the applicable Cutoff time, we will create, issue and mail checks no sooner than the next Business Day in accordance your instructions. You authorize us to make minor corrections which do not change the terms of the transaction, other than payment amount, to information in the Issuance Data to ensure prompt and correct transmittal.

Remittance-only information (without a check) may be requested, but this is performed on a best effort basis. Therefore, if a check is issued, we will not be liable.

If the Issuance Data is incomplete or incorrect, and revised Issuance Data is not received prior to the applicable Cutoff time, we will do our best, but cannot guarantee the issuance and mailing of the checks the next Business Day after receiving the revised check Issuance Data. Corrections or deletions of individual checks will be made on a best effort basis, but we will not be liable if that check is issued. If we, in good faith, believe that the checks have not been properly authorized, or you do not or will not have sufficient immediately Available Funds to cover the checks, we reserve the right to refuse to issue the checks.

The Bank offers Customers the ability to enroll in Positive Pay service. With this service, Customers must enroll in the Positive Pay service separately, but the Bank will create the Positive Pay issue file in accordance with the successful entry processed. Bank will transmit the file to the Positive Pay system for processing. Please refer to Section E. Positive Pay Service for the complete processing rules and guidelines.

## **4. Agency**

You appoint us and any entity we may designate to provide the Check Issuance Service including but not limited to the third party vendor as attorney-in-fact to draw and sign checks. We as your agent will issue checks per your instructions. You have the duties of a drawer under the Uniform Commercial Code. You must promptly examine all check issuance reports and notify us of all discrepancies in writing within a reasonable time and not to exceed five Business Days, including a statement of the relevant acts. A discrepancy is any error or difference between instructions to us (including, but not limited to, claims of unauthorized signature, alteration, and incorrect amount) and the checks as issued. If we are notified after the five Business Days, all rights are waived to bring a claim related to such discrepancy.

## **5. Check Drawer Bank**

You must use East West Bank as the drawer bank on your check(s) (“Check Drawer”).

## **6. Power of Attorney**

By selecting this service, you constitute and appoint East West Bank and the third party vendor, and each of them, as attorney-in-fact and authorize each of them through such officer, representative, agent and other person they may designate to (a) sign and draw checks (whether by using a signature provided by you or the signature of a representative or officer) manually or through a facsimile signature and to (ii) prepare check writing machines, printers or other devices to apply a facsimile signature to checks drawn on our account(s) with either of you. You further agree to hold the vendor and us harmless from any liability, costs, damages or expenses which result because of our reliance upon this authorization until you terminate this Agreement in writing.

### **ADDENDUM 7 – INVESTMENTBRIDGE SERVICE**

#### **1. Description of the Service**

Through this service, we act as agent (sometimes “Agent”) for you as the Principal (sometimes “Principal”) to purchase on your behalf, on the order and solely for the benefit of you, shares in the funds (“Funds”) offered by Federated Multi Trust Systems as listed on and designated by you on the Set-Up Form. All account assets will be held in an Investment Account (the “Investment Account”) in your name, or in the name of our nominee.

#### **2. Not FDIC-Insured**

You acknowledge that shares held in your investment account (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or obligations of the agent and are not guaranteed by the agent; and (iii) are subject to investment risks, including possible loss of the principal invested.

### **3. Our Authorized Actions**

By selecting this service, you authorize us to:

- Transfer to the Investment Account from your Demand Deposit Account with us (DDA), collected funds in excess of the target balance in the Principal's DDA designated below;
- Redeem shares of the Fund held in the Investment Account and transfer to your DDA account to maintain the target balance in your DDA designated by you on the Set-Up Form;
- Provide you with a monthly statement of account;
- Sign any declarations, affidavits, certificates or other documents for your account and on your behalf with respect to all interest, dividends, and other income on the shares held in the Investment Account, and invest the net income earned by the shares held in the Investment Account in additional shares of the Fund on a monthly basis.

### **4. Acknowledgement and Agreement**

It is mutually understood and agreed by you as Principal and us as Agent that:

Our sole duty is to execute such purchases and redemption of shares in the fund as you may order and designate. We have not made and will not make any investigation or recommendations with respect to the investment quality of the fund or shares therein and expressly disclaim any responsibility for your decision to invest in the fund, which decision you represent has been made and will be made without the participation or advice of us. No officer or representative of your agent is or will be authorized to provide any information to you with respect to the fund other than by delivery of a prospectus or other related material (which has been prepared by persons unrelated to us and for which neither we nor any officer or representative of your agent is responsible). We will have no liability whatsoever to you with respect to actions taken or omitted by any person in connection with this agreement or the purchase or redemption of shares in the fund, except for actions taken or omitted by us in bad faith.

### **5. Termination**

Upon termination of the Service, we will deliver the principal balance of the investment account to you. Unpaid interest will be paid on the second Business Day of the following month to the Demand Deposit Account opened with the Bank.

### **6. Purchase/Redemption**

We will use reasonable promptness in executing the purchase and redemption shares in the Funds, but we will not in any event have any duty to purchase or redeem shares in the Funds earlier than on the next Banking Day after the date of the automated sweep transaction to or from your DDA, or receipt of your written or verbal order.

### **7. Credit**

We use reasonable promptness in crediting dividends paid by the Funds to the Investment Account, but in no event will we have any duty to credit the Investment Account with dividends prior to the close of business on the second Banking Day (not including the day of receipt) following the receipt by us of the dividends. We will endeavor to forward to you any proxies, financial statements or other literature received by us in connection with or relating to the shares held in the Investment Account, but we will be under no obligation to forward such proxies, financial statements, or other literature.

### **8. No Guaranty**

Neither the value of the shares purchased nor their rate of return is guaranteed, and you agree that we will not be responsible for any decline in the value of the investment or in the rate or return.

## **ADDENDUM 8 - TAXBRIDGE SERVICE**

### **1. Description of the Service.**

This Service is a tax payment service that allows you to use touch-tone telephone or the Internet to initiate Federal and State tax payments. Our performance of the Service is conditioned upon your furnishing all requested data, authorizations, and written instructions at the times and in the manner specified in the User Materials.

#### **Reliance on Company Data**

We are entitled to rely on the accuracy of any data furnished by you to us. If initiated via touch-tone telephone or Internet, you are responsible for electronically inputting relevant data according to the procedures and instructions established by us from time to time, and such data will subsequently be processed by us.

**2. Deposit Account; Sufficient Funds.**

You agree to maintain with us an account (“Designated Account”) with sufficient funds to cover all tax payments and other fees and charges related to the Service. You authorize us to charge the designated account for the amount of each tax payment, as related by you to us. In the event you fail to maintain sufficient funds in the designated account, we shall have no obligation to perform the Service or make any tax payment for you even if we have received instructions to do so. In the event we, in our discretion, overdraw the account to make tax deposit disbursements, we shall not be obligated to do so in the future, regardless of the number of times we have previously allowed such overdrafts. You shall be liable for the payment of any disbursement made by us even though there were insufficient funds in the designated account at the time the disbursements were made.

**3. Duty to Maintain Records.**

Nothing herein shall relieve you of any duty imposed by law or contract regarding the maintaining of records or from employing adequate audit, account and review practices customarily followed by similar businesses. You shall promptly review for accuracy all records and information delivered from time to time to you by us and will promptly notify the Bank of any errors. You shall retain a copy of all of your source documents such as completed taxBridge Service Application, any User Materials, this Agreement, completed state and federal tax agency authorization forms for the Company, tax payment information needed to make each tax payment, acknowledgment numbers generated after the Company initiates a tax payment request, and audit information or receipts acknowledging or confirming the payment of the Company’s tax payments. Bank may but shall not be required to retain copies of any of the foregoing documents, information or receipts.

**4. Service Limited to Company as User.**

Only you will use the Service and you will not provide its access code or personal identification number to any third party.

**5. Bank is Agent Only.**

We act as agent for you. Tax payment funds received from you by us remain a payment liability of us to you and shall not be trust funds until we pay the same to the credit of the appropriate governmental agency on the tax due date or otherwise make such funds available to the governmental agency. Funds held by us for you hereunder will not bear interest and may be invested by us solely for our own benefit, but any such investment shall be at our risk. You will be entitled to recover any funds held by us prior to the time such funds are credited or otherwise made available to the governmental agency upon written notice to us given in time for us to act thereon.

**ADDENDUM 9 - BILLER DIRECT SERVICE**

**1. Description of Service**

This Service allows you to designate your Payers (“Payers”) to pay bills from their bank accounts using ACH.

This Service also allows you to receive payment from your Payers using a credit card. In order to accept credit card transactions, you must establish your own credit card merchant account with a compatible credit card processor. You acknowledge that we are only responsible for routing credit card transactions on your behalf to a processor and/or payment network, such as VISA®, MasterCard®, American Express® or Discover®, etc. (“Payment Networks”) as designated by you and agreed by us.

The Service will be available to you and your Payers through the use of the service Platform, which includes IVR, wireless and/or branded web portal. We, through the services of a third-party vendor, provide connectivity for both the Biller and the Payers through two different interfaces: (i) an IVR interface; and (ii) two web site interfaces, one for Biller and one for Payers. These interfaces and the Platform all constitute the Provider Environment (“Provider Environment”), which is controlled by us and is subject to our terms and conditions as stated herein. All content in the Provider Environment is subject entirely to the discretion of us, and we may change the scripts and/or content from time to time. You acknowledge that payment processing and settlement of ACH transactions will be handled through the Bank as an ODFI pursuant to the Rules of NACHA.

We will perform configuration of the Service based on the information provided by you. You may not commence using the Service until our written confirmation of the successful completion of Service configuration and testing is by you.

We will cause payments to be made from the funding account of each Payer at the request of (i) the Payer, or (ii) the Biller on behalf of the Payer, in accordance with the provisions of this Agreement. Each debit of a Payer account and each submission of a credit card charge will be considered a single transaction (“Transaction”) whether or not the Transaction is later reversed or charged back. Each Transaction will generate a Transaction Fee, payable by Biller.

## **2. Bill-Payer Relationships and Payer Data**

Prior to the acceptance of any funds from Payers, you will obtain and verify basic identification information from such Payers, including name, address, date of birth, and social security number or Tax ID as appropriate to the service that you are providing to Payer. You represent that you “know your customers” and assert in good faith that all transactions are, to your knowledge, for legitimate bona fide purposes.

In addition, you will obtain and retain a signed or electronically accepted agreement from each Payer enrolled in the Service (i) that each Payer agrees to the Service Terms and Conditions, (ii) that each Payer is bound by any funds transfer or bill payments initiated by us, and (iii) each Payer indemnifies and holds the Bank harmless from any loss or liability in connection with the Service.

You are solely responsible for (i) enabling Payer to receive the Service through the Platform; (ii) obtaining appropriate contractual and other required authorizations from, and providing appropriate notices to Payers; (iii) verifying Payer identification; (iv) complying with all contractual and other obligations of Biller owed to Payers; and (v) complying with all applicable federal and state laws and regulations.

## **3. Biller Responsibilities; Remittance and Transaction Data**

You agree to provide all information requested on a Profile Form, including information about your designated account (“Designated Account”). You further agree to notify the Bank in a timely manner if any of this information changes, and to provide updated information as requested, from time-to-time, by us.

If requested, we are authorized to present invoices from you to Payer for goods and/or services rendered. You acknowledge that all information included in such invoices presented for payment is provided by you, and that you are solely responsible for the completeness and accuracy of such invoices.

In addition, you authorize us to debit from your Designated Account any transactions that are returned or charged back for any reason whatsoever.

The Bank will provide to you, through the Platform, an electronic file (the “Settlement File”) containing remittance and transaction information representing all Transactions and related information collected in connection with the Service. The Settlement File will be available daily for download.

You are responsible for ensuring the accuracy of all data, including but not limited to credit card transactions and other information, instructions, and representations supplied in connection with this service. We are not responsible for detecting any errors in the remittance information or any other information received from you or from any Payer.

You agree that you do not conduct business in any of the following prohibited categories: Adoption Agencies (non or for profit); Adult Entertainment; Airlines/Charter Services; Bankruptcy Attorneys; Bail Bondsmen; Check Cashing Institutions; Collection Agencies/Firms involved in collecting past due accounts; Consulting firms operating in “Get rich quick schemes”, Real estate seminars, Investment programs/opportunities, Mortgage reduction services, Credit repair & debt reduction, Companion/Dating Services, Drug Paraphernalia; Factoring, Flea Markets (operating from a booth, on a part-time basis with no lease or telephone line); Gambling Establishments, Gun Sales, Investment Opportunities (stocks, options, securities, currency, metals, etc.); Mortgage Companies, Modeling/Talent Agencies, Not For Profit Organizations (defined as not recognized as such by the IRS), Outbound Telemarketing, Pawn Shops, Pharmaceuticals (unless a Verified Internet Pharmaceutical Practice Site [VIPPS]); Protection Services; Pseudo-Pharmaceuticals; Pyramid or Multi-Level Marketing; Sale of Real Estate, Resort Land or Timeshares; Sports Forecasting or Odds Making; Telemarketing companies involved in Pseudo-pharmaceuticals, Chain Letters, Vitamins; Any of the products/services listed on the Unacceptable or Restricted Lists; Telemarketing companies with the following methods of operation: free gift, prize, sweepstakes or the winning of a contest as an inducement to purchase a product/service, In-bound calls in response to a post card, e-mail or similar technique; Telephone Cards; Third Party Processors; Travel Agencies; Water Purification.

## **4. Biller Responsibilities: Remittances and Settlement**

You expressly authorize the Bank to perform the Service as follows: Upon our receipt of information from Payor or Biller indicating that a Payer approves a payment in a specific amount (an “Approval”) and instructing that such payment be made via ACH from Payer’s account, we will cause that amount to be debited from Payer’s account and, after holding such funds a period of time as deemed necessary by the Bank (to mitigate reversals), will cause that amount to be credited

to your Designated Account. You agree that the Payer is bound by any funds transfers or bill payments that are initiated by or on behalf of the Payer as a result of their use of the Service.

**Reversibility - ACH Transactions.** We will notify you of any payment included in a transmission for which the Bank has been unable for any reason to collect the corresponding funds from the Payer's funding account, or any payment that is returned for any reason. We will be entitled to institute a reversal of the Transaction, and you hereby agree to accept a debit to your Designated Account for the aggregate amount of all non-funded payments. No action on your part, including but not limited to a filing under protection of the Bankruptcy Code, insolvency, attachment, or execution by any third party, shall affect the Bank's rights hereunder. If for any reason the reversal described in this Section is not successful and is returned, you agree to and may be required to send the Bank, by Fed Wire or other means defined by us, the amount of such non-funded payments, plus interest at the then-current Federal Funds rate for the amount of time that you had the funds.

**Credit Card Transactions.** If you have elected to accept credit card payments through the Service, you expressly authorize us, through your credit card processor, as follows: Upon receipt by Bank of information indicating that a Payer has issued an Approval and instructing that such payment be made by credit card, we will cause the amount of the Approval to be submitted on your behalf to your credit card processor. Thereafter, such transaction will be governed solely by and between you and your credit card bank/processor.

**Credit Card Chargebacks.** Any claims, disputes, inquiries or chargebacks arising out of or relating to transactions paid for with Payer's credit cards shall be governed solely by the agreement you have with your credit card processor/bank. You agree, and will obtain certification that all Payers using the Service agree, that the Bank will be indemnified and held harmless from and against any claims, losses or damages arising from Payer's use of credit cards.

You agree that the security procedures provided by the third-party vendor of the Service with respect to the Platform constitute commercially reasonable methods of providing security against unauthorized funds transfer and that such procedures are reasonable for you and your Payer's needs.

## 5. Payer Functionality

**End User Access/Registration Process:** The web portal will have a login screen for previously registered Payers and will also allow first time Payers, who have not previously logged in to the Service, to register and access the Service by providing personal information as defined by the Biller in the Biller Service Profile Form ("Profile Form").

**Bill Presentment:** Payers will, if available, be able to view Bill Summary information and link to detailed Bill Information. You will define availability of this information in the Profile Form.

**Unregistered Payers:** Unregistered Payers who have not stored their payment details in the Service Platform will be required to enter their payment information, including payment amount and funding account information.

**Previously Registered Payers:** Previously Registered Payers will be required to enter payment information, but if they have previously stored funding account information, they will be presented with the option to select a previously stored account to make the payment.

**User Registration for Unregistered Payers:** During the payment process, Unregistered Payers will be asked to create a username and password to store their payment details and allow for expedited future access to their data.

**Payment History:** Payers will be able to view a history of the payments they have made during the previous 180 days. Each payment includes a status and a reference number.

**Payee Management for Registered Payers:** Registered Payers are able to add additional payment funding accounts to their profile.

**Automatic Payments and Alerts for Registered Payers:** Registered Payers will be provided with the option to setup automatic payments. Additionally, Payers will also be provided with the option to setup text and/or e-mail alerts to notify them when an automatic payment has been successfully processed and when an automatic payment has failed.

**Account Management for Registered Payers:** Registered customers are able to enter and store their Biller account details. They can set up multiple Biller accounts.

## 6. Biller Functionality

**Biller Administration Screens:** The Bank shall provide you with a Login ID and Password to access the Biller Administration Screens. These screens will enable an administrator to perform the following tasks:

- Setup User Names for customer service representatives
- Upload Bill Summary files
- Query and view customer payment history

- Perform payments on behalf of customers

**Biller Administration Reports:** You will have several administrative reports available, including the Aging Report, Scheduled Payments Report, Payment History Report, Audit Report, Activity Report and the Settlement Report. Each of these reports has drill down capabilities as well as the ability to be downloaded into several file formats.

## **7. User Acceptance Testing (UAT)**

We will make the Biller Services available to you in a UAT environment. In this environment, no transactions are processed, but “test payer” User Names, Administrators and customer service representatives can access the Biller Service and perform all functions in a test environment.

We will provide you with system documentation and a list of recommended UAT Test Cases. After successful execution of the test cases, you must provide a Notice of Acceptance to Bank in writing or via e-mail, whereupon the UAT shall officially end and Biller Services will be cut to live production ("Production Date") and monthly billing shall commence. The billing for the Monthly Minimum Transaction Fees shall commence on the Production Date or when live customers are using the web site, whichever comes first and shall continue throughout the term of the Agreement.

## **8. Deployment Services**

We will be responsible for managing the deployment and configuration of the Web portal service.

## **9. Additional Development**

Any customized work beyond the scope of this Service Definition will be documented in a separate Statement of Work.

### **ADDENDUM 10 - ELECTRONIC DATA INTERCHANGE (EDI)**

#### **1. Description of Service**

This service uses electronic information processing to automate the exchange of business and financial information between us and you, as well as other parties. We will distribute such information to you each Banking Day as it is received through the ACH network in a format previously agreed upon by both of us. The data may be delivered via Fax, PC, Mainframe, or other mode as made available and requested by you and acceptable to us.

Payment requests originated via the EDI Service are subject to the terms and conditions of the ACH and Wire Transfer sections of this Agreement.

#### **2. Information Provided By You**

You must provide us the accounts and information about which you wish information transmitted, the receiving vendor, and such other information as we may reasonably request. You agree to maintain safeguards over all sensitive data received and comply with all U.S. and State laws, regulation, statutes or other governing authorities in regards to the safekeeping of non-public information.

### **ADDENDUM 11 – INCLEARING REPORT SERVICE**

#### **1. Description of the Service**

This service is intended to provide early presentment information on check transactions that will be drawn on your designated business deposit account(s) (singularly or collectively, “Account”) each business day. The Inclearing Report is limited to checks only and does not provide any information regarding other items presented against your Account.

#### **2. Delivery Channel**

The delivery channel for the Inclearing Report can include internet, email and/or data transmission, as designated by you in writing to the Bank.

#### **3. Report Delivery**

Incclearing Reports may, but are not required to be, delivered to you multiple times a day via the delivery channel designated by you. Interim reports are provided for timely information purposes only, and you cannot rely on interim reports as final. The final report for the day will be designated as final and available after we receive, review, make any needed corrections or adjustments, and process all checks for the day.

Check information is provided to you as received directly from the Federal Reserve Bank or any other Financial Institution (the “Servicer”). The accuracy of the information is not guaranteed by the Federal Reserve Bank, the Servicer, or us. We do not review checks presented prior to the early presentment or payment, and by including all checks on the reports, we do not assume responsibility to pay all checks, such as checks bearing forged or missing signatures or endorsements, alterations, encoding errors, notations, or other defects on the checks.

## ADDENDUM 12 - INTEGRATED PAYABLES

### 1. Description of Service

Integrated Payables provides you the ability to streamline and automate the payables processes by enabling you to send instructions for initiating multiple payment types to us in a single, consolidated file instead of manually entering payment instructions into multiple systems. The payment types offered through the Integrated Payables service include but are not limited to ACH Origination, Wire/Fund Transfer, and Check Issuance services. You can choose to enroll in one or any combination of the payment types offered and must complete the applicable instructions. We reserve the right to terminate the Integrated Payables service at any time.

#### **Automated Clearing House (ACH) Payment**

Please refer to ACH ORIGINATION Section E for a complete processing rules and guidelines.

#### **Wire/Fund Transfer Services**

Please refer to ONLINE WIRE/FUNDS TRANSFER Section D for the complete processing rules and guidelines.

#### **Check Issuance (Positive Pay Service Optional)**

Please refer to ADDENDUM 6 – CHECKBRIDGE – CHECK ISSUANCE SERVICE for the complete processing rules and guidelines.

#### **Transmission of Payment Files by You**

User(s) shall initiate the debit or credit entries, as designated in the applicable Operational Instructions, hereunder on behalf of and selected by you. We are entitled to deem any person having knowledge of any Security Procedures required to initiate entries under this agreement to be an authorized user. User(s) shall transmit entries to us in computer readable form in compliance with the formatting and other requirements as specified by Bank. Entries shall be transmitted to us no later than the time and the number of days prior to the Effective Entry Date specified in the Processing Schedule, as outlined in the applicable Operational Instructions. The “Effective Date” with respect to any Entry shall be the Business Day when such Entry is debited or credited in accordance with your instructions. We have the right, at our discretion to reject and return to you any Entries received after the established processing deadline. Please refer to the processing timelines outlined under the Operational Instructions for each payment type.

### 2. Processing, Transmittal, and Confirmation Acknowledgments

Payment file instructions we receive shall be deemed to be received from you for processing. We shall not be liable for honoring or acting upon, and you expressly agree to indemnify and to hold Bank harmless for any claim or loss arising out of honoring or acting upon, any instructions received, including but not limited to if such instructions are received with inaccurate or missing information.

Except as otherwise provided for in this Agreement, if we elect to accept payment files, we shall:

- (a) Use commercially reasonable efforts to comply with your instructions to process each payment received from you and conform to each payment type processing guideline (as outlined in the applicable payment type section herein and the corresponding Operational Instructions);
- (b) Transmit such payment to its bank-end system for processing;
- (c) Validate the received payment file format and provide confirmation acknowledgement notices of success/failure (i) email acknowledgement (ii) EDI997 file acknowledgement based on input file format; and
- (d) Provide debit confirmation of successful payment entry processed, applicable to each payment type outlined under the File Delivery Operational Instructions and input file format (i) EDI824 file (ii) Flat File.

### 3. Rejection of Payment Entries

**Customer agrees that Bank will use commercially reasonable efforts to notify you if it is necessary to reject submitted Payment Entries. We shall have no liability to you for rejection of a Payment Entry that failed to meet the processing guidelines (as indicated in the applicable payment type section herein) and shall not be liable to pay you interest or any other amounts in connection with such rejection of a Payment Entry.**

### 4. Cancellation or Amendment

You do not have the right to cancel or amend any Entry after its receipt by Bank. However, we may, at our option, accept your cancellation or amendment. If we accepts a cancellation or amendment of an Entry, you must comply with the Security Procedures provided. Furthermore, if we accept a cancellation or amendment of an Entry, you hereby agree to indemnify, defend all claims and hold Bank harmless from any loss, damages, or expenses, including but not limited to attorney’s fees, incurred by Bank as the result of its acceptance of the cancellation or amendment of any Payment Entry.



Please refer to the applicable payment type section herein for the complete cancellation/amendment processing guidelines.

## **5. Error Detection**

We have no obligation to discover and shall not be liable for errors you make, including but not limited to errors made in identifying the Receiver, or an Intermediary or RDFI, or for errors in the amount of an Entry, and errors in Settlement Dates. We likewise shall have no duty to discover and shall not be liable for duplicate Entries issued by you. Notwithstanding the foregoing, if you discover that any Entry you initiated was in error, you shall notify us of such error. If such notice is received (i) no later than four (4) hours prior to the ACH receiving deadline, we will utilize reasonable efforts to initiate an adjusting Entry or stop payment of an “On-Ups” credit Entry within the time limits provided by the rules; (ii) no later than 2:00 PM ET on the day of the check issuance file received for processing, we will utilize reasonable efforts to stop the entry from printing and mailing.

In the event that you make an error or issue a duplicate Entry, you shall indemnify, defend all claims, and hold Bank harmless from any loss, damages, or expenses, including but not limited to attorney’s fees, incurred by Bank as result of the error or issuance of duplicate Entries. Please refer to the applicable payment type section herein for the complete processing guidelines for error detection.

## **6. Set-Up Fee**

In addition to any service-related fees disclosed elsewhere, you shall be responsible for a set-up fee to cover our implementation costs incurred. Such fee shall also be disclosed to you and will be deemed fully incurred upon final implementation of the Integrated Payables Service. If you elect to cancel the Integrated Payables Service during the implementation process, you will be responsible for a portion of the fee, to be determined by us in our sole discretion, based on the stage at which cancellation occurred.

### **ADDENDUM 13 – ANCILLARY SERVICES**

#### **1. Secure File Transfer Protocol**

This Service allows you to electronically transmit and receive a file(s) with our secured File Transfer Protocol (FTP) Server accessible via the internet. Security access User IDs and Passwords are provided. You must use compatible secured FTP software to initiate connection and communication with the Bank’s secured FTP server.

#### **2. CD-ROM Check Image Service**

This Service provides you with images of the front and back of cancelled checks and text versions of bank statements on CD-ROM(s). You may select to have the CD-ROM(s) sent to you monthly, quarterly, semi-annually or annually. We will provide the viewing software with the delivery of the first CD-ROM. This service offers the convenience of receiving your cancelled check images and bank statements on a storable medium.

#### **3. SWIFT Messaging (Outbound) Service**

##### **Description of Service**

This Service offers you the ability to send and receive secure information about financial transactions in a standardized format. Through the SWIFT Network, the Bank offers the ability to send MT 940 messaging for prior day balances and transactions or MT 941 messaging for prior day balance summary to Financial Institutions that participate in the Network and have the capability to receive and report on MT 940 and MT 941 data transmissions. SWIFT is The Society for Worldwide Financial Telecommunication. It provides a network that allows financial institutions worldwide to send and receive information about financial transactions in a secure standardized environment.

##### **Customer Responsibilities**

By selecting SWIFT Messaging (Outbound) services, you authorize Bank to initiate SWIFT Messaging (Outbound) as instructed by you through the SWIFT network, You acknowledge that your account information will be transmitted to designated financial institutions and/or parties to which you designate the account information to be transmitted, and You acknowledge that the Bank does not assume liability for information transmitted through the SWIFT network. You are responsible to provide Bank with accurate instructions for transmittal of your account information through the service, and as long as Bank complies with the instructions provided by You, You agree to indemnify, release, and hold harmless Bank and its officers and employees for any and all liability, losses or claims relating to, arising out of or in connection with transmittal of account information via SWIFT Messaging (Outbound) services.

#### **4. ACH Blocks and Filters/ Electronic Payment Authorization Service (“EPAS”)**

##### **Description of Service**

This Service allows you to prevent your designated account(s) from being debited via the Automated Clearing House (“ACH”) by third parties, except for those specifically designated originators and those parties you have given pre-authorization listed in your most currently dated EPAS Set-Up Form. Blocked Entries are limited to those received by us from external sources not directly related to us. We may opt not to restrict Debit Entries that are originated for payment of fees owed to us or charges for services provided by our vendors in connection with any Service provided to you.

##### **Your Responsibility**

You acknowledge full responsibility for notifying us of any change in authorization to pay or return items as necessary. This includes, but is not limited to, tax payments or other debits that we may reject as a result of your EPAS service. You further agree to notify us within twenty-four (24) hours of any unauthorized activity and acknowledge that if notice is provided after the twenty-four (24) hour notice time period, we may not be able to return the Debit Entry and you will be responsible for the debit, with no recourse to us.

#### **5. Trade Report Service**

##### **Description of Service**

This Service provides information on trade transactions that have been processed through the IBSnet trade finance system. IBSnet is a back office application utilized by the Bank to conduct processing of trade finance transactions, including commercial and standby letters of credit, documentary collections, and financing.

##### **Report Delivery**

Trade Reports may be, but are not required to be, delivered to you multiple times a day via the delivery channel designated by you (internet, email, and/or data transmission). Interim reports are provided for timely informational purposes only, and you cannot rely on interim reports as being final. The final report for the day will be designated as final and is available after the data warehouse has completed all jobs required to produce your reports.

Trade information is provided to you as received directly from the Bank’s data warehouse (the “Data Center”). The accuracy of the information is not guaranteed by us. We do not review the reports prior to their posting, and by relying on data and logic to feed the reports, we do not assume responsibility to verify the accuracy of the reports. The Bank will not be responsible for any loss, delay, cost, or liability that arises directly, or indirectly, in whole or in part, from this service.